

The **NATIONAL UNDERWRITER** *Life Insurance Edition*

“ Franklin has enjoyed remarkable growth in assets, surplus, and insurance in force, and is now the *largest** legal reserve stock life insurance company in the United States devoted exclusively to the underwriting of Ordinary and Annuity plans.

The results achieved by the company have been *most* favorable. In our opinion it has *most* substantial over-all margins for contingencies. Upon the foregoing analysis of its present position we recommend this company. ”

—From *Best's Life Reports 1956*

*Italics are editor's
emphasis



The Friendly

**FRANKLIN LIFE INSURANCE
COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted
exclusively to the underwriting of Ordinary and Annuity plans
Over Two Billion Two Hundred Million Dollars of Insurance in Force*

FRIDAY, OCTOBER 5, 1956



WE TAKE PRIDE IN

Announcing

A COMPLETE NEW LINE OF

PARTICIPATING LIFE INSURANCE PLANS

The prestige of the oldest stock legal reserve life insurance company in the United States is now yours to help build your business with popular, most wanted, participating life insurance policies.

We invite you to examine this new, extensive series of participating plans. You will find them outstanding with regard to rates, dividends, cash values and settlement options.

For complete details, see your United States Life general agent today.

**THE
UNITED STATES**
LIFE INSURANCE COMPANY
IN THE CITY OF NEW YORK

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 40
October 5, 1956

Pillsbury, Atwood Elected President, V-P of N. W. Nat'l.

Wells, Jenkins Resign in Difference with Board Over Company Policies

Election of John S. Pillsbury Jr. as president of Northwestern National



John S. Pillsbury Jr. Harry E. Atwood

Life was announced this week by the company directors. He succeeds George W. Wells who resigned the position he has held since 1952.

Also resigning was W. R. Jenkins, first vice-president. The resignations followed differences with the board over company policies. Both men will continue as members of the board.

The directors also announced the election of Harry E. Atwood as executive vice-president of the company. Mr. Atwood, who joined Northwestern National in 1931, has been second vice-president and a member of the management committee.

Mr. Pillsbury, a graduate of Yale university and the University of Minnesota school of law, is a partner in the Minneapolis law firm of Faegre & Benson. He has been a member of Northwestern National Life's board since 1950 and has served on its executive and finance committees since 1952. He is a director of Great Northern Ins. Co., Minneapolis Fire & Marine Ins. Co., McGill-Warner-Farham Co., Wayne Knitting Mills, Fort Wayne Ind., and a trustee of Farmers & Mechanics Savings Bank and Dunwoody Industrial Institute, Minneapolis.

Mr. Atwood has been with Northwestern National since graduation from the University of Minnesota. He advanced through the advertising and agency departments to become second vice-president in 1952.

Pryatel Succeeds to Zone 2 Post

Commissioner Pryatel of Ohio has been unanimously elected chairman of zone 2 of National Assn. of Insurance Commissioners to succeed former commissioner Gillooly of West Virginia.

Zone 2 comprises Delaware, District of Columbia, Maryland, Ohio, Pennsylvania, North Carolina, South Carolina, West Virginia and Virginia. The election was the result of a poll taken by Mr. Gillooly, who is joining American Life Convention in Chicago.

Chicago Agents Rap Double Dollar Plan; To Tell Its Limits

Chicago Life Underwriters Assn. this week knocked the "double dollar" plan offered by three Chicago banks as something "not in the public interest."

Following a meeting of the association's officers and directors, Dan A. Kaufman, Northwestern Mutual Life, association president, said they voted to publicize "the limitations of these bank plans" which offer insurance in conjunction with savings deposits.

Three banks announcing the savings insurance programs are Exchange National Bank of Chicago, South Side Bank & Trust Co. and Central National Bank. Spokesmen for two of the banks, when informed of the association's action, replied that they were not advancing the plans as a substitute for regular life insurance programs. They said the savings-insurance programs are being offered as a savings incentive and are making depositors insurance conscious.

The association passed a resolution citing as "not in the public interest" the following:

1. Advertising of plans which claim to give depositors "free" life insurance by lowering the interest rate on their savings accounts.
2. Lowering the interest rate on savings, which results in a higher cost for term insurance for younger and insurable depositors under bank plans than they can get from private sources.
3. Offering of an insurance plan that

(CONTINUED ON PAGE 20)

Post-Dispatch Keeps the Heat on Ill. Department

The St. Louis Post-Dispatch, which has been conducting an expose of the Illinois insurance department and the influence therein of George Barrett, former Illinois attorney-general and now practicing law in Chicago, through Tuesday of this week had stories about this situation involving insurer licenses and the troubles of Illini Mutual of Champaign.

Security Connecticut Life, the affiliate of Security of New Haven, has been trying for a year to get a license in Illinois. President Peter J. Berry told the Post-Dispatch. "I heard from sources in the insurance business that we'd have to engage a lawyer for \$5,000 before we could expect any results, but I refused to do it," Mr. Berry said. He added that the name of George Barrett was mentioned by insurance sources during these discussions.

The company tried to get a license a year ago when it sent a letter to the department requesting application papers.

"Within a six months period, we sent at least two other similar letters, but there was no acknowledgment," Mr. Berry said. "Several times I tried to telephone to McCarthy, but I never reached him. It seemed he was always 'out of town.'"

Security Connecticut Life asked its attorney in Chicago to look into the matter, and he succeeded in getting

(CONTINUED ON PAGE 20)

Ground Broken for NALU Headquarters Building in Capital

C. E. Cleeton is Master of Ceremonies; Commissioner Karrick of D. C. a Speaker

By ROBERT B. MITCHELL

The rain, which finally let up shortly after the ceremonies got under way, kept many from attending the groundbreaking and dedication ceremonies at the site of the new headquarters building of National Assn. of Life Underwriters at Washington. But for the several hundred that showed up, braving the windy drizzle, the occasion was one of deep significance.

It was the first time that most of them had seen the spot where the magnificent memorial-type headquarters building will be located. Witnesses at the ceremony could see beyond the temporarily dingy surroundings to the west, where a decidedly unglamorous but soon-to-be-demolished laundry occupies the remainder of the block; and to the north, where an ancient "temporary" building is being demolished to make way for the State department's \$50 million building that will be NALU's close neighbor.

As master of ceremonies, Charles E. Cleeton, Occidental of California, Los Angeles, past president of NALU and chairman of its building committee, introduced his fellow committee members and other NALU dignitaries, President Howard Kacy of Acacia Mutual, which sold the land to NALU for some \$30,000 less than it had been carrying the property on its books; Assistant Secretary of State Carpenter and District of Columbia Commissioner Karrick.

Mr. Carpenter stressed the "good neighbor" angle, expressing appreciation for the "splendid spirit of cooperation" in the planning stages of NALU's and the State department's building programs.

"You gentlemen have proved yourselves fine neighbors and we all look forward to the day when these two projects will be completed," he said.

Mr. Cleeton said the new headquarters building will not be just a place to do the association's work but a symbol of the life insurance field man who has brought security to America. He said the projected new building has given NALU a new strength, vitality and meaning.

"I believe that as this building rises this association will grow stronger in its activity and the men and women who sell life insurance will grow stronger," said Mr. Cleeton. He added that when the edifice is built and the "charter builders" find their names recorded in bronze, and as others who have contributed see what their funds have helped build, "I think you will take on a new feeling as to what NALU really does mean."

Managing Director Lester O. Schriver of NALU said that "if those of us

(CONTINUED ON PAGE 20)

Late News Bulletins . . .

Expect To Start NALU Building in 60 Days

WASHINGTON—Lester O. Schriver, managing director of National Assn. of Life Underwriters, told THE NATIONAL UNDERWRITER in answer to a query that it hoped construction of its headquarters building here may begin in 60 days. He added that there are "some legal tangles" to be solved.

In their answer to the government's suit to condemn property of Conger's laundry for the NALU building site, lawyers James C. Wilkes and James C. Wilkes Jr. assert that the taking of the property under power of eminent domain is a violation of the owners rights, that the land under government taking "is intended for private ownership and use for non-public purposes, namely, for ownership and use by the National Assn. of Life Underwriters."

The lawyers told a Congressional committee last summer that the property was valued at \$270,257 by government appraisers and it is contended the property is worth even more.

Robert R. McLeod, government attorney, said the statute under which the government is taking the property permits the seizure of land to protect public buildings in the area. He said the idea is to preclude construction of other buildings which might not fit into the architectural pattern in the area, much of which is to be occupied by a new state department building.

First USGLI Term Dividend in 25 Years

WASHINGTON—Veterans administrator Higley, has announced the first dividends in 25 years will be paid next year to holders of 5-year term U. S. Government Life policies. He also announced an increase of \$25 million in regular dividends to some 5 million holders of National Service Life policies, to a total of \$210 million, compared with \$185 million dividends for 1956. The term policyholders, numbering about 20,000, will receive approximately \$1 million, and the permanent plan policyholders, numbering about 330,000, will receive \$25 million.

United Pacific Launches \$1 Million Life Subsidiary

United Pacific Life has been incorporated as a wholly-owned subsidiary



J. W. Reynolds



Harold L. Baird

of United Pacific to write group and credit life. Both companies are headed by J. W. Reynolds, chairman, and Harold L. Baird, president.

The life company was established Oct. 1 with a capital and surplus of \$1 million. The parent company has more than \$22 million in assets and had a 1955 premium volume in excess of \$20 million. United Pacific is the third major fire and casualty company to form a life subsidiary within the past month, the other two being American Surety and North America.

The casualty company already writes group A&S for more than half a million people. Addition of the life company enables United Pacific to provide a complete, single-policy plan of group insurance under one management. The new coverages, coupled with the company's multiple line facilities, now qualify United Pacific to write virtually every form of insurance.

United Pacific Life initially will be

licensed in Washington, Oregon, Idaho and Utah, and at the outset will write only group business. However, the life company plans expansion into other states in which United Pacific now operates.

Officers of the life company, in addition to Mr. Reynolds and Mr. Baird, are Ben B. Ehrlichman, chairman of the executive committee; Stanley N. Minor, chairman of the finance committee; Frank E. Kelly, executive vice-president; Carl B. Birkenmeyer, vice-president; Tom C. Sterne, secretary; H. R. Carlson, treasurer, Donald E. Stanley, assistant secretary, and Howard M. Nimmons, assistant treasurer.

Cleveland Leads Cities in Ordinary Sales Gain in August and 8 Months

Cleveland led large U. S. cities in percentage increase in ordinary life sales in August and the first eight months with gains of 33% and 22%, respectively, according to LIAMA.

Other cities and their percentage increases in August and the first eight months, respectively, are Boston, 13 and 7; Chicago, 10 and 10; Detroit, 12 and 6; Los Angeles, 13 and 13; New York, 14 and 10; Philadelphia, 15 and 9, and St. Louis, 17 and 10.

Hubbard Discusses FTC Action on A&S Business

Moses Hubbard, counsel of Commercial Travelers of Utica, discussed the consequences of Federal Trade Commission action on the A&S business at a meeting in New York of A&H Club of New York. Edward E. Anderson of Commercial Travelers, the new president of the club, presided.

Would Liberalize N. Y. Investment Laws

5 Home Company Changes Get Nod of Department, But Holz Opposes Leeway Clause

Holz, Companies Generally Agree on New Language for Out-of-State Companies

NEW YORK—Seven specific liberalizations of New York laws governing investments of domestic life companies were urged by representatives of the companies upon the joint legislative committee on insurance rates and regulation, which is studying the investment statutes with the possibility of recommending revisions to the next legislature.

Leffert Holz, superintendent of insurance, recommended to the legislators that they approve five of the seven changes, and he added one of his own, that life companies be permitted to make loans to small, unincorporated businesses. He fiercely opposed a 1% leeway clause, which the companies pushed for harder than any of the other six modifications in the law.

Devereux C. Josephs, chairman of New York Life, appearing for that company and the joint committee on affirmative legislation of American Life Convention and Life Insurance Assn., recommended the seven specific liberalizations, which were read into the record by Eldon Wallingford of Life Insurance Assn. and the joint committee.

Louis K. Dawson, president of Mutual Life, argued particularly for the leeway provision. He emphasized that New York insurers want and need a flexibility in investments more nearly equivalent to that granted by New York law to out-of-state competitors.

Mr. Holz recommended to the legislators that the law be changed to permit up to half of 1% of assets in otherwise unqualified corporate obligations; that life companies be permitted to put up to 5% of assets in income producing real estate—the present limit is 3% and the companies asked for 7½%; that the ceiling on investment in single parcels of income producing real estate be raised from one-fourth to one-half of 1% of assets with a dollar limit of \$500 million instead of \$250 million; that the prohibition against investment in any bank and insurance stocks be discarded; and that the present limit on investment in common stocks of 3% of assets be increased to 5%. Mr. Holz, however, declined to go along with the companies in their request to raise the percentage allowance.

Besides the leeway provision, Mr. Holz completely opposed the proposal to increase from 4 to 6% the net income on real estate investments the companies can take down before they have to start using the income to reduce the total book value of such investments. The practice of amortizing mortgages, which has become so widespread since the 1930s but was little known before has been one thing that has prevented a depression, Mr. Holz declared.

It is in the interest of the country's economy that life companies be encouraged to put money into small businesses, Mr. Holz said in suggesting that the present restriction of loans to incorporated businesses be eased. Unincorporated associations, partnerships or individuals represent 85 to 90% of all businesses, he said, and the

NEW YORK—Proposals to liberalize this states laws governing investments of life companies were advanced at a hearing conducted here by the joint legislative committee on insurance rates and regulation headed by Sen. Condon of Yonkers. The committee is exploring the matter thoroughly and will recommend amendments to the 1957 legislature if it concludes that changes are appropriate.

As to out-of-state and foreign insurers, Superintendent Leffert Holz of the department recommended insertion of language in section 90 which will spell out statutorily the traditionally liberal attitude of the department. He said he believed the revision would give the superintendent leeway to approve such investments as that of Connecticut General Life when last year it proposed to acquire 80% of the stock of National Fire. However, in his appearance the second day of the hearing, he indicated the question would have to be resolved, under section 42, of whether ownership of a fire insurer subsidiary puts a life company in the fire insurance business.

Section 90 empowers the superintendent to refuse to license or renew the license of an out-of-state insurer if its investments do not comply in substance with the investment requirements and limitations imposed upon like domestic insurers. The department's recommendation is that at this point there be added the language: "And if after disallowing such investments as admitted assets to the extent that they do not comply in substance with such investment requirements and limitations, he is satisfied that such foreign insurer's surplus would be reduced below an amount which is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs."

The life companies generally approve this amendment, and executives of several companies appeared in support of it. However, they also want a grandfather clause as of, say, July, 1956, to protect them on investments made in the past, legal then but presently or in the future subject to a finding or interpretation of illegality. Mr. Holz said he also favored a grandfather clause but he and company representatives hinted that they were having trouble agreeing on the wording.

New York's action in barring the Connecticut General Life proposal marked the end of a consistently liberal, non-strict interpretation of New York statute, according to witnesses at the hearing, and put into question investments of life insurers in bank and insurance stocks. Also, by implication, it subjected to scrutiny ownership by life companies of subsidiary insurers writing lines other than life and A&S, such as Travelers and Aetna Life.

Mr. Holz has indicated right along that though he might regard the proposal by Connecticut General sound, New York statutes clearly did not permit it. At the hearing he vigorously defended his action and pointed to sections of the law which expressly provide that (1) an insurer may not do



Beneficial THOUGHTS

If a man has a talent and cannot use it, he has failed. If he has a talent and uses only half of it, he has partly failed.

If he has a talent and learns somehow to use the whole of it, he has gloriously succeeded and won a satisfaction and a triumph few men ever know.

Ibid, Chap. 30

BENEFICIAL LIFE

Insurance is your **BENEFICIAL** Company

David O. McKay, Pres.

Salt Lake City, Utah

(CONTINUED ON PAGE 31)

(CONTINUED ON PAGE 32)

OVER A MILLION LIVES NOW INSURED BY *United of Omaha*

In 1955 the number of lives insured by United of Omaha passed the one-million mark for the first time. The Company's insurance-in-force climbed to almost one-and-two-thirds billions of dollars . . . an increase of 11 per cent over 1954.

In 1955 United of Omaha also paid a new high in benefits, totalling \$17,432,252.14 for the year. 58 per cent of that amount was paid to LIVING policy-owners. The Company's total assets rose in 1955 to \$243,981,930.53, with a healthy ratio of \$115.59 held for each \$100 of liability. United of Omaha, 30 years of age, places among the top 4 per cent of the more than 1000 life companies in the United States.

As the present year approaches the home stretch, United of Omaha is ahead of 1955 in all departments, confident of new all-time records by year's end.



United of Omaha's famous "Cash and Carry" Plan, advertised in Life, Look, Collier's and Better Homes & Gardens, is telling 13 million American families how to "Stretch Their Insurance Dollars."

Lincoln National Life to Build Big Home Office Addition

Lincoln National Life plans to construct a new office building which will expand its present home office in Fort Wayne, Ind., to cover an entire downtown city block.

Walter O. Menge, company president, said the new building is expected to be completed within three years and ready for occupancy by September, 1959. The exact floor area of the new building has not been determined, but Mr. Menge said it is expected to be five or more stories high and will have one or possibly two full basements. The modern new building will harmonize in design with the present home office. The latest in lighting, air-conditioning and communication systems will be incorporated. Cafeteria facilities will be expanded to accommodate employee needs.

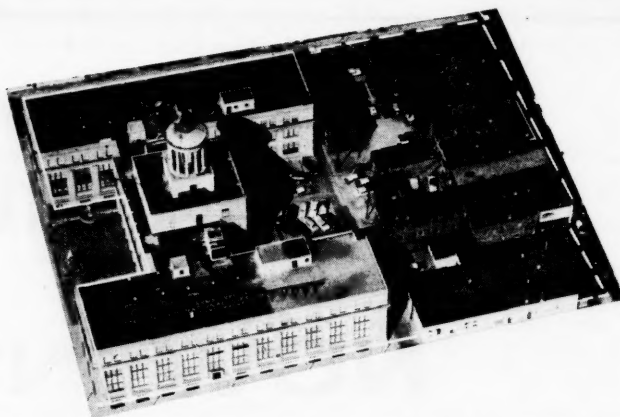
The record growth of Lincoln National in the last 12 years during which the company's business has doubled then, and doubled again, requires home

office expansion. The company purchased additional properties in 1952. However, these facilities are already being enlarged to accommodate increased operations and make room for the transfer in November of the company's Reliance division from Pittsburgh to Fort Wayne. It is hoped this additional space will answer building needs until the new downtown structure is completed.

Before deciding on the expansion of its facilities in the downtown area, the possible advantages of suburban location were weighed carefully. The company, however, decided against a suburban location, concluding there were definite advantages in a central location, particularly from the standpoint of transportation for its employees, and excellent mail service which the company enjoys in its present location across the street from the post office.

Provisions for adequate off-street parking has already been made. In addition to the existing parking lots located near their present home office building, the company has purchased an additional off-block area.

The firm of Holabird & Root & Burgee of Chicago is the architect for the

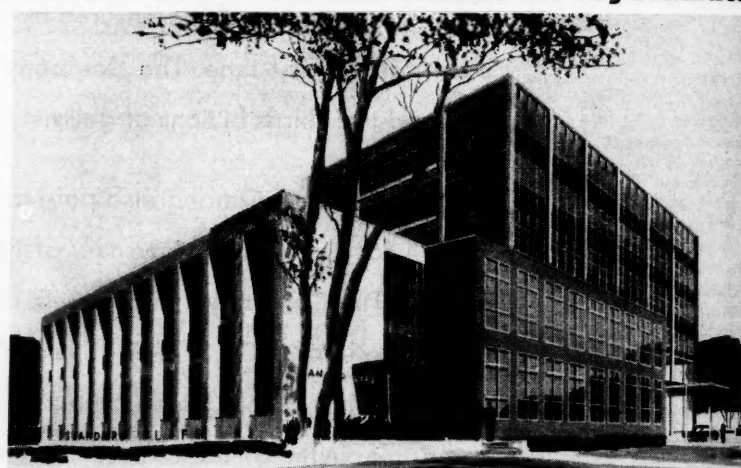


The space within the broken white line at the right of this picture will accommodate a home office expansion for Lincoln National Life. The large building at the left, outlined in an unbroken white line, is the present Lincoln National home office. When the home office expansion is completed, Lincoln National headquarters will cover an entire city block in downtown Fort Wayne, Ind.

new building. Chairman of the building committee is Edward D. Auer, company vice-president. "When the present home office was built," Mr. Auer said, "it was contemplated that it could be enlarged by vertical expansion."

We find, however, that only the center portion of the building could be so expanded, and that it would not provide for the large work areas now needed for our operating departments."

Standard of Ind. to Break Ground for Big Addition



Standard Life of Indiana plans to break ground about Feb. 1 for a six-story addition to its home office building in Indianapolis. To be built largely of aluminum and glass, the new structure will rise up from behind and extend beyond the arms of the original U-shaped building which was erected in 1947. The basement area of the addition will be devoted to enlargement of the kitchen and dining room facilities of the existing building, and for heavy storage.

The interior space of the first floor, lying within the center of the U, will

be devoted to stock room area, and the second floor will take care of the central files. The three floors will serve the upper floors through a dumbwaiter or continuous conveyor system so that each floor will have immediate access to supplies and files.

The original building was designed to house \$1 million of life insurance in force. Standard has passed that figure and additional space is needed. The proposed addition is expected to accommodate the company's needs for an estimated 25 years.

SEC Probes Stock Sale to Form Life Company

Securities & Exchange Commission has instituted proceedings to determine whether American Investors Corp. of Nashville filed a false statement regarding a proposed \$8 million stock issue.

Proceeds of the sale were to be used to form American Investment Life Insurance Co. Chairman of the new company is former Gov. Davis of Louisiana. Eddie Arnold, Webb Pierce and Faron Young, stars of the radio show, "Grand Ole Opry," also are officers of the corporation.

SEC has slated a hearing to decide whether to stop the stock sale. The company plans to issue 4 million shares of \$2 common stock. SEC challenged the accuracy of the corporation's state-

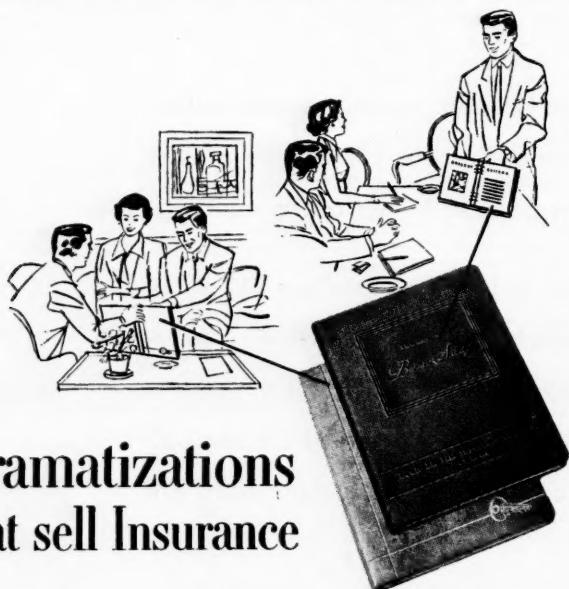
ment regarding its plan for distributing the stock, the use for proceeds from the stock sale, the description of the business to be conducted, the identity of the promoters, description of the principal operation of some of the officers, and the granting of options for the purchase of stock.

Establish 2nd CLU Class in Maine at Bangor

The second CLU class in Maine is being established at Bangor this fall. The first class was started at Portland five years ago. There are at present 71 persons registered with the American College from Maine.

Rapid growth in the past five years has brought Maine chapter membership from 6 to 23, and the registered candidates from 11 to 71.

Dramatizations that sell Insurance



To pinpoint the prospect's needs for insurance, field associates of the Equitable Life of Iowa have these two outstanding visual portfolios to assist them:

1. Key to Security — the portfolio which dramatizes the personal insurance needs of the prospect.
2. Key to Business Security — the portfolio which dramatizes the business insurance needs of the sole proprietorship, the partnership and the close corporation.

These two visual sales aids have earned the Award of Excellence of the Life Insurance Advertisers Association and substantially enhance personal incomes of field associates using them.



Equitable

LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

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Cal-Western Agents Go to Mexico for Leaders Meeting

Some 275 California-Western States Life agents and wives enjoyed a well balanced program of business sessions and social activities at the company's recent Leading Producers convention in Mexico City's Del Prado hotel.

The five-day session climaxed an 18-month qualifying period for Cal-Western agents. The qualification requirement for attendance was \$350,000 in new paid pro rata business during the qualifying period for single qualification and \$530,000 for double qualification. Double qualification meant that the agent could take along his wife, at company expense.

The meetings were highlighted with major addresses by Robert E. Murphy, president, and Leland C. Tallman, vice-president and manager of agencies.

Mr. Murphy discussed "The Road Ahead to \$2 Billion," referring to the company's drive for \$2 billion of insurance in force by 1960. Mr. Tallman told the agents that the high level of employment and prospects throughout the western states has created the finest sales climate that the Cal-Western agent has ever enjoyed. In his talk, Mr. Tallman enumerated a wealth of new sales promotion materials available to Cal-Western agents, explained the company's new advertising campaign and other innovations, such as the bank draft plan and a liberalized premium deposit account plan made available during recent months.

Other business sessions were devoted to presentation on Cal-Western's new visual programming kit "The Money Measurer," by William D. Daniels, director of education and training, and a presentation on the company's new advertising campaign by Richard W. Marsh, director of advertising and sales promotion.

Also playing an important role dur-

ing the business sessions with special "how to" presentations were the officers of the Leading Producers club. These included Bryan C. Stangle, Seattle board chairman; Louis W. Jaffe, Los Angeles, president; Alfred E. Gaumer, 1st vice-president; T. E. Schenk, Campbell, Cal., 2nd vice-president, and Russell G. French, San Diego, 3rd vice-president.

At the traditional president's banquet the conventioners heard an inspiring message from Dr. Kenneth McFarland, educational consultant of General Motors.

Cal-Western Life's President, Robert E. Murphy (right) and vice-president and manager of agencies, Leland C. Tallman (left) are shown here with Dr. Kenneth McFarland, who gave the principle address at the company's Leading Producers Club annual banquet in Mexico City's Del Prado Hotel. Dr. McFarland is educational consultant for General Motors.



WE ARE BUILDING IN THESE STATES!

OHIO
PENNSYLVANIA
DELAWARE
ILLINOIS
INDIANA
MARYLAND
TENNESSEE
ARKANSAS
LOUISIANA
FLORIDA

SPECIAL "GROUND-FLOOR" OPPORTUNITIES AVAILABLE TO GENERAL AGENTS AND BROKERS

INVESTIGATE AT ONCE!

WRITE, WIRE OR PHONE COLLECT
Paul Reichart, Vice President in Charge of Sales
Telephone: OLYmpia 4-2474

INVESTIGATE OUR PROPOSAL... LOADED WITH MONEY-MAKING ADVANTAGES FOR YOU!

COMPETITIVE ADVANTAGES

L.I.C.A. Policies are replete with unusual selling features. For instance—the L.I.C.A. DIAMOND — an endowment that has a \$1,200 cash value per \$1,000 face amount guaranteed at 65 . . . returns all premiums paid in addition to face amount death benefit during period (20 years) in which premiums are paid.

MERCHANDISING ADVANTAGES

A hard-hitting, sales producing program from "mail to sale". The modern, up-to-the-minute aids we furnish are tested and proved for powerful selling force. Everything furnished to you without charge.

ADVERTISING ADVANTAGES

We help you develop sales potential through local advertising, direct mail, quality-lead programs. This is not a sporadic, hit or miss effort but a consistent, result-getting plan paid for by L.I.C.A.

CONTRACT ADVANTAGES

10 pay Life • 20 pay Life • 30 pay Life • Life paid at 65 • modified Life • whole Life • preferred Life • double protection • 5 types of endowment • 2 types of retirement • 9 juvenile plans • mortgage policy • convertible term • accident and health • Hospitalization.

SPECIAL HELP ADVANTAGES

We have an outstanding Assistance plan — affords you unlimited earning possibilities. We give you the backing and whole-hearted support for positive success.

CASH-IN-POCKET ADVANTAGES

This is truly a "ground floor" opportunity. L.I.C.A.'s vigorous program of agency building offers outstanding opportunities for both types of general agents — producing and organizing. Wonderful brokerage and surplus agreements! You can make money with L.I.C.A.

Travelers Appoints Hanselman Secretary of Claims Divisions

Travelers has appointed Benjamin B. Hanselman secretary of its claim departments to create closer liaison between the home office and the field force which now numbers 1,600.

He joined the company in 1935 as a claims representative in Chicago and was named adjuster in charge at Peoria, Ill., in 1947. He was appointed claims manager at Minneapolis in 1951 and then claims manager at Chicago in 1954. He is admitted to law practice in Illinois.

HIAA Appoints Hawkins Counsel

Health Insurance Assn. of America has named as staff counsel Paul M. Hawkins, Washington, D.C., attorney and former general counsel of American Retail Foundation.

He started in law as a bond examiner for the Nebraska state auditor's office and was a clerk and investigator for the claims committee of Nebraska legislature. He became attorney and assistant manager for American Hotel Assn. and then director of legislative research for Citizens National Committee, now known as the Tax Foundation. He joined American Retail Foundation in 1951. He is a past national director of U. S. Junior Chamber of Commerce.

LIFE INSURANCE CO. of AMERICA

WILMINGTON 99, DELAWARE

AETNA LIFE'S 5 FORWARD STEPS

- 1.** Basic Estate Control Plan School.
- 2.** Career Course.
- 3.** Advanced Training -- Advanced Business Insurance and Tax Course. Home Office School and Field Clinics.
- 4.** C. L. U. Participation.

Reproduced from a series of mailing pieces demonstrating the effectiveness of Aetna Life training methods.

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& regional
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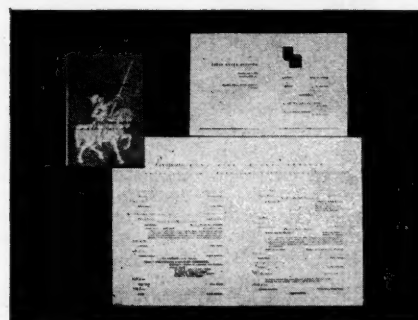
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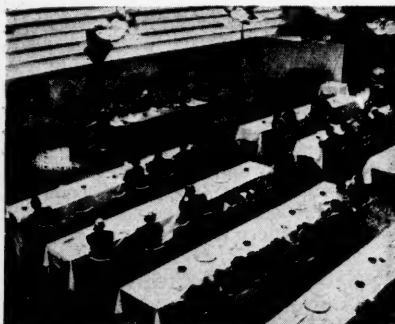
PS TO SALES LEADERSHIP

Leaders Seminars and Regional Meetings Provide Valuable Sales Forums for Company's Top Producers

Two important factors in Aetna Life's Training Plan are Leaders Seminars at Hartford and Regional Meetings throughout the country. Both are yearly events. Aetna Life sales representatives who qualify find these meetings extremely stimulating. They exchange sales ideas with other top producers of the company, Home Office personnel and with outstanding men from business, industry and the professions. Qualification for these sales forums is a challenge that growing numbers of Aetna Life representatives are meeting every year.



Programs for these meetings are diversified and carefully planned to cover the latest important developments in life insurance selling. Aetna Life pioneered in yearly Regional Meetings twenty-eight years ago.



Formal sessions at Leaders Seminars and Regionals feature members of the Home Office Staff, the field force and outstanding guest speakers. These sessions provide the basis for later informal discussion periods.



Business sessions provide food for thought and stimulate lively appetites. Even during these pleasant periods of relaxation many ideas are exchanged, new friends greeted and old acquaintances renewed.



Aetna Life men find that besides sales stimulation, attendance helps to build prestige in their community. Publicity photos are taken and news stories prepared for use in local papers and life insurance trade papers.



During a panel discussion an Aetna Life sales representative, participating from the floor, expresses his opinion.



It is in the "smoke-filled rooms" after formal sessions that many of the most vigorous and interesting discussions develop. This is the chance to relax with ideas and a full interchange of thought.



Symbols of leadership and attainment. They are gratifying evidence of achievement in Aetna Life's thorough training program which leads to larger production figures and increased income.

Aetna Trains for Success!

AETNA LIFE

INSURANCE COMPANY Hartford, Connecticut



F. F. Weidenborner, Guardian Life V-P, To Retire Dec. 31

NEW YORK—Frank F. Weidenborner, agency vice-president of Guardian Life since 1940, will retire Dec. 31 under the provisions of Guardian's regular pension plan, which permit retirement at any time between ages 60 and 65. He will be 60 Oct. 19. He will continue on the board of directors, to which he was first elected in 1950.

Mr. Weidenborner started his insurance career with Provident Mutual in St. Paul in 1919. He attended one of the first life insurance courses conducted at Carnegie Tech in 1920, and after six years of field experience joined Guardian as an agency assistant in

the home office.

Mr. Weidenborner has been active, in the American Life Convention, and served as chairman of the agency section in 1941. A member of LIAMA for 32 years, he is currently serving on its board.



F. F. Weidenborner

FTC OKs Consent Order on Ill. Traveling Men's

WASHINGTON—Federal Trade Commission has approved a consent order prohibiting Illinois Traveling Men's Health from misrepresenting benefits of its A&S policies, the commission stated.

The FTC complaint had charged the company misrepresented duration of policies, number and types of accidents and illnesses covered, and cumulative payments available in certain accidents.

Under the order, which "is for settlement purposes only and does not constitute an admission by the company that it has violated the law," according to FTC, the company is specifically prohibited from representing that a policy may be continued by insured indefinitely when in fact the

policy may be cancelled by the company during that period, that a policy provides for indemnification in case of all accidents or sicknesses when this is not so, that a policy provides for payment of certain benefits in addition to other benefits when this is not so.

Meanwhile, FTC examiner Laughlin held the initial hearing here on the complaint against Lumbermen's Mutual Casualty. Both sides had agreed on evidence after company counsel raised the jurisdictional question for the record. FTC scheduled oral argument for Oct. 5, on appeals of counsel for Travelers Health of Omaha.

Columbian National Offers Pre-Authorized Check Plan

Columbian National has introduced a pre-authorized check plan, under which the premium payer signs a form authorizing the company to draw monthly checks against his bank account in the amount of the premium due and authorizes his bank to honor the checks. When the policy is delivered or when the authorization forms have been signed, the agent collects two monthly premiums and the insurance is automatically in force.

Agenda Announced for Mid-West Management Conference Oct. 25-27

The agenda for the Mid-West Management conference, French Lick, Ind., Oct. 25-27, has been announced by General Agents & Managers Assn. of Indianapolis, sponsors. The program, "Built Around Building Men," will feature nine speakers and a summary.

Speakers and their topics are: Leland F. Lyons, vice-president New York Life, "What's Ahead—and What It Means in Training Managers and Assistants"; E. L. Nicholson, superintendent of agencies Connecticut General, "Dollars and Sense in Recruiting"; Davis W. Gregg, president American College of Life Underwriters, "The Vital Dimension"; E. R. Erickson, general agent John Hancock, Buffalo, "The Pension Market and How to Capitalize on It"; C. B. McCaffrey, director of advanced underwriting training Northwestern Mutual, "Advanced Underwriting Trends That Produce Sales"; Charles Kingston, Kingston & Associates, Hartford, "The Role of A & S in Programming and Estate Planning"; M. J. Beckers, manager Equitable Society, Flint, "Finding and Keeping Good Men"; F. A. Rosenfelt, general agent Connecticut Mutual, Toledo, "Supervision for Success"; and G. C. Fraser, general agent Aetna Life, Saginaw, "Operation Saginaw."

The conference will be summarized on Saturday morning following Mr. Fraser's talk by R. W. Osler, Rough Notes Co.

Social events during the course of the conference include a reception for all registrants and wives with the Indianapolis association as hosts, a dinner dance, and entertainment.

Chairman of this year's conference, is Guy A. Morrison, general agent Northwestern Mutual.

Brokerage Panel for N.Y. City Supervisors

A brokerage panel will be featured at the first fall meeting of New York City Life Supervisors Assn. at 12:15 p.m. Oct. 9 at the Brass Rail restaurant, 40th street and Park avenue. Panelists will be James P. Carr, Mutual Benefit Life, Edward J. Curtin, Prudential, J. Harold Medlock, Travelers, and Jerome Siegel, Connecticut Mutual. Robert I. Curran, Massachusetts Mutual, will be moderator. Earle Y. Duncanson, Connecticut Mutual, new president, will conduct the meeting.



Freeman J. Wood, Lincoln National Life general agent at Chicago, receives his company's group I president's citation from Henry W. Persons, Lincoln National vice-president. The award is made each year for outstanding achievement during the company's nationwide sales campaign in honor of its president, W. O. Menge. The Wood agency also won this award in 1946, 1941, 1945 and 1953.

YOU CAN'T USE

THE SAME DOLLAR TWICE

If one of your clients suddenly finds himself disabled he may be forced to borrow against his life insurance or his retirement program — forced to try to use his protection dollar twice.

You can help him avoid such a financial emergency through Provident's Guaranteed renewable disability plans*, which provide a realistic monthly disability income over extended periods. Once in force, each plan is guaranteed renewable at fixed cost throughout normal working years without change in coverage or benefit.

Ask for the full story of our Non-Can line which can be written on an individual, salary allotment or group basis.

BROKERAGE BUSINESS INVITED

*Featured in national advertising in TIME, October 8, and NEWS-WEEK, October 15.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Paul Clark Stresses Need to Promote Savings

President Paul Clark of John Hancock Mutual Life, addressing the insurance group of Union League Club of Chicago this week, stressed the need for insurance people to interest themselves in generating savings, which he termed the "only non-inflationary money in the economy."

Mr. Clark remarked that personal savings are only 6% of net disposable income, while a few years ago the figure was 8%. Inflation is the biggest threat to savings, Mr. Clark added, and all insurance men should be sensitive to the position of the small saver and what can be done to protect the value of his insurance policy.

He warned that care must be taken to protect the buying power of the dollar. It has gone down 33% in the last 10 years and if it repeats that percentage in the next 10, the public will begin to question the wisdom of saving via insurance. The big problem is not to simulate more investment, but to pay for what has been bought, Mr. Clark declared, and that calls for savings.

The government has taken steps to cut down the money supply, and Mr. Clark commended this program, which includes balancing the budget, restricting credit and raising interest rates. He admitted that the latter two steps are not popular with everyone, but he feels they are necessary. A 4 or 5% interest rate is not high when viewed with prosperous times in the past, it is only that the public has come to believe that this is a restrictive figure. Life companies, he pointed out, are permitted to 4 or 5% on policy loans, although this is almost a riskless investment.

People have to face the fact that there is a cost in servicing money and that taxes have to come out of the interest received, Mr. Clark said.

He deplored the trend of the Treasury Department to treat the tax situation of life companies like that of other business corporations, and said a program is being presented in behalf of a number of the life insurers which they hope will be acceptable and which will remove some of the extra taxation on policyholders.

In response to a question after his talk, Mr. Clark predicted the interest rate would hold substantially as it is well into 1957, and possibly through the year. He said he believes part of the reason for the weakness in the stock prices is the relatively low yield they are producing on market value as against book value and that the public is becoming aware that there are other fields which can produce a higher return. The full effect of this, he said, may not have been felt, and this would allow for a further drop in stock prices before they begin an upward turn again.

Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies, chairman of the insurance group, presided at the meeting and introduced some of the prominent guests. Levering Cartwright, insurance journalist, announced that the chairman of the insurance men's party at the club is now L. F. Hawley of Newhouse & Hawley, who is taking the job from Mr. Cartwright after he has had it for three years. Mr. Hawley said the party will be Nov. 16. Mr. Clark was introduced by Ferrell Bean, general agent at Chicago for John Hancock.



NEED ROOM TO GROW?

Feel cramped? Want to expand?
Want to run your own show?

New depth in the field is a vital part
of Central Standard Life's vigorous
"from now on" expansion program.

Opportunities for your own general
agency at the grass roots, the four
corners, possibly your home town.
Top commissions with vested life
time renewals for general agents,
special agents, multiple lines
men and brokers.

Write, wire or phone

Claire L. Gsell, Vice Pres.

CENTRAL STANDARD LIFE

Founded 1905 - **INSURANCE COMPANY**

211 W. Wacker Drive, Chicago 6

Washington National Board Chairman Warns of Variable Annuity Pitfalls

R. J. Wetterlund, board chairman of Washington National, clearly stated his position recently on the much-discussed variable annuity at a convention of 300 Washington National agents and general agents at the Banff Springs hotel in Canada.

"Certainly much can be said on both sides of the fence on this problem," Mr. Wetterlund said. "I am personally not opposed to efforts of interests who

wish to experiment with a new idea. However, I am opposed to the life insurance company, as we know it today, doing anything that might harm the good name of the life insurance business.

"If company management feels that it must participate in the variable annuity experiment and tie in common stocks, hoping to increase the amount of the policy benefit payments, it

should not do it within the present life insurance company framework but through a separate organization instead.

"American people today expect payment of 100% on the face amount of their life insurance contracts—and rightly so. The insurance business has built up the reputation of 'payment in full' on their policies over many years. That is why we enjoy the confidence of the public today.

"Anything done whereby the amount of the payment of insurance benefits becomes subject to the vagaries of the

stock market will tend to undermine and destroy public confidence in the life insurance contract," he concluded.

President P. W. Watt also addressed the convention, assuring the agents that despite the tremendous job of selling done in recent years in the life and A&S fields, there is no need for worry that prospects are becoming fewer and fewer. "The truth is that we have barely started to do our job," he said. "On one hand, people are seriously underinsured. On the other hand, they have more money with which to buy protection they so vitally need." Mr. Watt said both the agent and home office are actually being challenged today to keep pace with the expanding market. He said the public wants life insurance and demands A&S coverage.

In other sessions of the convention, an ambitious program was initiated for the general agency department, setting a 1965 goal of 200% increase in written life insurance, a 400% increase of life insurance in force and a 100% increase in A&S premiums collected.

Other speakers included Kenneth Mullins, agency vice-president, and Kenneth Porter, agent at Phoenix, Ariz. Mr. Porter, before his talk, showed a half-hour filming of "This Is Your Life," a network TV program on which Mr. Porter has appeared. The movie gave a moving description of his determination to lead a normal life even though paralyzed from neck to knees as a result of spinal injuries received while with the marines in the Solomon Islands.

Mr. Mullins presented a detailed listing of achievements in the general agency department since the last convention in 1954. In addition to having set sales records, he looked upon these developments as being instrumental in increasing the size of the average policy and in reducing lapses.

Harold Van Every, Minneapolis, Bankers Life of Iowa, was the guest speaker. His topic was "How I Control the Insurance of 200 Families," in which he reviewed his start in the business and the various approaches used for his savings and social security talk.

Other speakers and their topics were: Ralph Matlin, Los Angeles agent, "Human Interest Selling;" H. Keith Johnson, Chicago, "Heads or Tails;" and Daniel L. Clark, Milwaukee, "It's the 'Close' that Makes the Man."

Institute Issues Guide for GIs buying Insurance

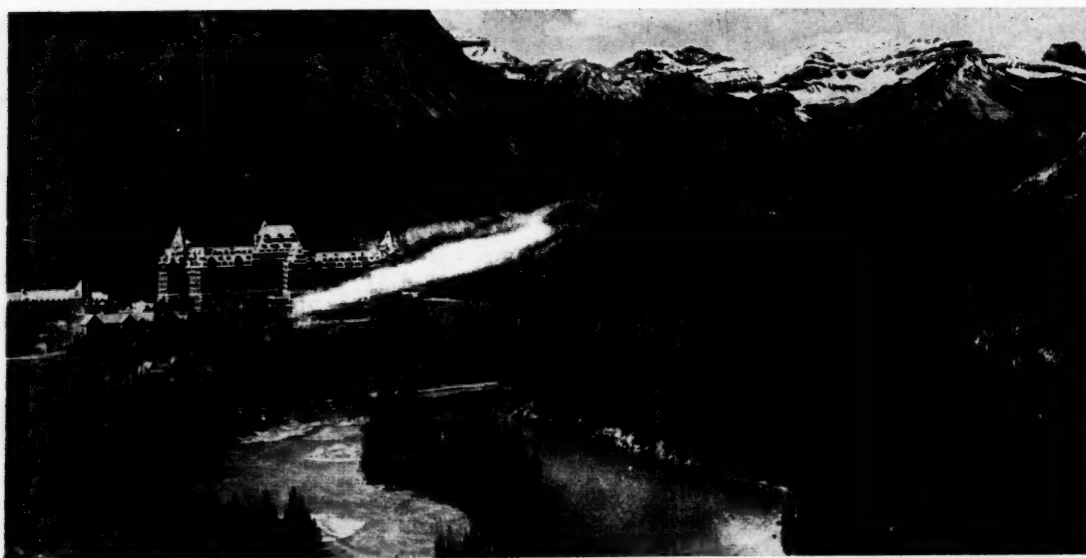
Institute of Life Insurance has prepared a new pamphlet, *Buying Life Insurance*, to guide members of the armed forces who want to purchase commercial life insurance. Department of Defense is distributing the pamphlet.

The booklet urges prospective insurance purchasers to estimate their insurance needs realistically and to know how much they can afford to pay. It then outlines five common types of policies—straight life, term, limited payment, endowment, and combination, assessing the purpose, advantages and disadvantages of each type. Each analysis is followed by an illustration of the applicability of that particular type of policy in an assumed situation. The booklet will be available to personnel of the armed forces upon request through their unit insurance counselors.

The Department of Defense is also adapting to military use the Institute's *Handbook of Life Insurance*, for distribution to officers of the armed forces who serve as insurance advisers.

Welcome Home . . .

Washington National BANFF CONVENTIONEERS,



from the beautiful Banff Springs Hotel in Canada.

GENERAL AGENCY CONVENTION—SEPTEMBER, 1956

We believe that the professional underwriter forms the backbone of the insurance business. Recognizing his worth and providing him with extra stimulation is of utmost value . . . our President's Club, the Production Clubs, App-A-Week Club, regular Life and A&H sales contests and periodic conventions are part of this program.

We look forward to a record number of qualifiers to the next General Agency Convention "get together" at the Drake Hotel in Chicago, April, 1958!

Washington National

INSURANCE COMPANY EVANSTON, ILLINOIS

Agency Inquiries Always Invited—Address: Kenneth Mullins, Vice President

The National sioners out a of whi men a resenta missing zone w Most der th the de rate t number Com welcon sioner, respon busine mission try per ship he social Schlitz the se on fo The and te mittee the ag sugges in the ings ir of Iow unfair sion, r favore not ma a simil is whe ed gov order the zo berg o adopte mitting such a need o tract o presen ferent Com spoke thinks busine partme In disp omme problem a unif At th and ch Iowa v was ac mittee consid

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200 Attend Zone 4 Rally at Milwaukee

The meeting of Zone 4 members of National Assn. of Insurance Commissioners last week at Milwaukee brought out a total attendance of nearly 200, of which about 25% were department men and the remainder industry representatives. The only commissioner missing from the eight states in the zone was McCarthy of Illinois.

Most of the active sessions were under the direction of the members of the department staffs, with the fire rate technicians coming up with a number of recommendations.

Commissioner Rogan of Wisconsin welcomed the group as host commissioner, and Jenson of North Dakota responded as chairman of Zone 4. After business sessions on the first day, commissioners, staff members and industry personnel participated in a fellowship hour and banquet. The only other social function was a tour of the Schlitz brewery late in the morning of the second day, followed by a luncheon for the entire group.

The program called for the deputies and technicians to hold separate committee meetings the first morning, but the agendas were so lengthy it was suggested that a joint session be held in the morning and individual meetings in the afternoon. Sam Orebaugh of Iowa led a discussion on fair vs unfair discrimination at the joint session, remarking that some groups are favored by a wholesale policy that is not made available to groups falling in a similar class. The question involved is whether legislation should be adopted governing this type of operation in order to bring uniformity throughout the zone and other states. H. T. Wolberg of Wisconsin said his state has adopted a blanket coverage law permitting insurance on an entire group, such as Boy Scout camps, without the need of individual certificates, the contract covering such members as are present from time to time and as different troupes attend a camp.

Commissioner Sheehan of Minnesota spoke on free insurance, saying he thinks it cheapens and degrades the business in general and that his department is opposed to all such plans. In disposing of this item, it was recommended that the states consider the problem for the purpose of formulating a uniform ruling.

At the meeting of deputies, actuaries and chief examiners Sam Orebaugh of Iowa was elected chairman. A motion was adopted urging the blanks committee of NAIC to put on its agenda consideration of the segregation of re-

serves for liability coverages under multiple policies, and particular with respect to schedule requirements.

Changes in the life annual statement and the NAIC examiners' manual now permit optional treatment of mortgage service fees either as an expense in the expense exhibit or as a deduction from interest income in the income section. Present treatment in the instructions for uniform classification of expenses permits such expense to be reported only as an item of expense in the expense exhibit of the fire and casualty annual statement, and this

was regarded as an inconsistency which should be referred to the appropriate committees of NAIC for clarification.

The group also recommended that zone 4 refer to the blanks committee the question of rearranging columnar heads so that the showing of market value and actual costs of stocks in schedule D and the summary schedule will coincide.

Some discussion was given over to municipal fees and taxes, and the possibility of the application of retaliatory measures to companies domiciled in states having such laws, particularly,

but not exclusively, Florida, Kentucky and Missouri. The deposit requirements of some states, notably California and Massachusetts, were also taken up, as well as possible retaliatory measures which could be taken.

It was pointed out that former commissioner Lange of Wisconsin and former first deputy Sanford of Michigan are no longer in the NAIC ranks and have been retired from the blanks committee, and the group asked that at least one member of zone 4 be appointed a member so that the zone will have representation.

FACTS about John Hancock

John Hancock is a company with strong sales leadership. This is a result of long experience in the field by Hancock agency executives. Because of such leadership John Hancock gives vigorous emphasis to sales promotion, advertising, and many sales helps for its agents.

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

LIFE

CONTROLLER

AGE—35 to 50

EDUCATION—College preferred

SALARY—\$10,000 to \$15,000

EXPERIENCE—Must have 5 years in home office as manager or ass't. manager. Must know I.B.M. and Annual Statements.

Of course, all inquiries are confidential.

FERGASON PERSONNEL

330 S. Wells Street, Chicago 6, Ill.

HAarrison 7-9040

NEWS OF LIFE POLICIES

Home Life Offers New Policies, Plans, Rates to Managers

Three new preferred policies, four new plans of insurance, lower premium rates and an upward adjustment



John H. Evans



W. P. Worthington

of cash values were announced by Home Life at a conference of agency managers in Atlantic City. John H.

Evans, vice-president in charge of sales, was chairman of the conference.

Policy changes include new preferred whole life, modified life and 30 payment life policies, issued in amounts of \$10,000 or more; new standard 30 payment life payable at 90 policy; new renewable and convertible 5-year term policy in amounts of \$5,000 or more; new 10 and 20 year supplementary term riders for use with life and endowment policies to provide additional protection in an amount equal to the face amount of the basic policy or equal to 1½ times the face amount, and new reduced rates for all plans including substandard insurance except family income benefits and mortgage policies, which were set in 1954 and 1953 respectively. An example is preferred whole life at 35, reduced from \$25.11 per \$1,000 to \$23.30, or \$1.81. At age 45 the reduction is \$2.28.

The company now will provide its field organization with dividend pro-

jections. The company still has reservations concerning their use with the public because they cannot be guaranteed, but has decided to make them available in view of the general business-wide practice.

President William P. Worthington discussed the responsibility of management in the light of current trends. He emphasized the importance of field management and said the manager is the determining factor in agency attitudes. He noted that the new price reductions are contrary to trends in other fields, where prices are increasing, and said unless the premium reductions are accompanied by corresponding increases in amounts of protection purchased by policyholders, the company will be doing the public a distinct disservice.

He urged managers to take the lead in de-emphasizing dividend projections. No company can guarantee payment of a specific dividend five, 10 or 20 years from now. Consequently the purchaser should not let such projections enter into his decision to buy insurance. Others—bankers, auto dealers, or building contractors—do not guarantee their prices for 20 years.

Participating in a panel discussion of selection and recruiting were Paul F. Saint of Boston, William T. Bolton of Philadelphia, Hugh W. Davy of San Francisco, and Clifford O. Pratt of White Plains. Another panel took up opportunities provided under the company management development program. Participating were five Columbia university fraternity brothers who joined Home Life as management trainees shortly after graduation—William B. Wallace of Washington, D.C., G. Howard Hansen of New York-Carnright, Anthony Misho of Boston-Saint, Robert C. Schwegler of Buffalo, and Edward McSweeney of White Plains.

Others participating in the program of the meeting were John F. Walsh, vice-president; Alan B. Doran and Eugene C. Kelly, assistant vice-presidents; John W. Langdon and William W. Stewart, agency managers; James T. McCrystal, manager of group administration; Cecil Jones, Atlanta regional group manager; William Allan, actuary; William J. McFeely of Baltimore, and Clarence Oshin of New York.

Home Life's Managers Assn. during the meeting elected Mr. Davy president, Robert W. Bremmer of New York vice-president, and Hadsell S. Easton of Cleveland secretary-treasurer.

Union National Raises Non-Medical Limits

Union National Life of Nebraska has increased its non-medical limits, and is now writing non-medical applications on the following basis: Ages 5 through 40 inclusive, \$6,000, and ages 5 through 40 inclusive, \$10,000.

Phoenix Reduces Single Premium Annuity Rates

Phoenix Mutual has reduced its single premium annuity rates. At age 60 and over, ages at which most annuities are purchased, Phoenix Mutual's new rates are thought to be the lowest of any U. S. life company selling to the general public.

At the same time, the commission scale on all single premium annuities was increased from 2% to 2.5%.

An average reduction of 5% has been made on immediate single premium non-refund annuity rates and 15% on installment refund rates. Rates for installment refund annuities deferred from two to 10 years show an approx-

imate reduction of 12%. Offered only to male-female combinations on a non-refund basis, single premium joint survivorship annuity rates have similarly been reduced.

Atlantic Life Reduces Rates for Ordinary, Life at Age 90, 85 Plans

Atlantic Life has reduced premium rates for ordinary life, life at age 90 and life at age 85 policies. Non-forfeiture values remain unchanged. The minimum amounts issued have been increased to \$25,000 for ordinary and \$10,000 for life at age 90. The minimum for life at age 85 is still \$1,000. All three plans have been extended downward to juvenile ages, and waiver of premium and monthly income disability rates as well as on initial and convertible term have been reduced. Ordinary life and single premium life will now be issued up to age 75.

New plans introduced are the "term protector policy," which is annually reducing term issued in minimum initial amounts of \$10,000, and "executive special 10 pay life," with premiums reduced by 50% after the fifth year and issued in minimum amounts of \$25,000.

Monumental Life Issues Three New Policies

Monumental Life has introduced three new policies and other features in its new rate book, effective Oct. 1. The policies are a minimum \$10,000 life paid up at 90; a double protection to age 65, which is a fully paid up policy at age 65 for one-half the original amount and which is also a minimum \$10,000 policy; and a junior executive policy with jumping juvenile features, each unit providing for \$1,000 from birth to 18, \$3,000 from 18 to 21 and \$5,000 thereafter, together with a premium return benefit in the event of death before age 21. The junior executive policy is paid up for life at age 65, but at the election of insured, it can be converted at age 25, for an additional premium, to a \$5,000 endowment maturing at age 65.

The company has increased non-medical limits to \$10,000 between ages 10 and 30, decreased premium rates on most regular ordinary policies and extended the monthly debit ordinary line.

Mass. Mutual Revises Endowment Policies

Massachusetts Mutual Life has revised the maturity date of endowment policies to defer them for a maximum of five years on a fully paid participating basis. The value of the policy during the deferred period and the amount payable at maturity will include compound interest at the rate guaranteed in the policy. This is in line with a practice adopted last year permitting a maturing retirement income policy to be changed to a fully paid up retirement income policy maturing not later than five years after the original maturity date.

Mutual, N. Y., Raises Double Indemnity Age

Mutual of New York has extended its double indemnity provision, previously not issued to applicants over age 55, to new and existing life policyholders if they are not over age 60. Premiums are payable to age 65, when the coverage ceases.

Also provided in the benefit is an additional indemnity against public conveyance accidents so that, where double indemnity would normally be payable, the total payment will be three times the face amount of the policy, instead of twice.

No. 5 OF A SERIES



"In selecting and training the new agent, we believe that the Company's responsibility must go much further than the printed terms of its contract. In fairness to the agent . . . the Company . . . the insurance business itself . . . we must assure the new agent every possible chance of success. In this series of messages, we present a few of what we consider to be our inescapable obligations under this "invisible contract".

THE COMPANY shall do all in its power to encourage and enlist the interest and support of the new agent's family in his life insurance career.

A long-time maxim of this Company has been "You actually hire a family . . . not just an agent". It is a fact that many a promising life insurance career has been wrecked on the shoals of family indifference or misunderstanding. Recognizing this, we spend a great deal of time during the recruiting process "indoctrinating" the wife in the responsibilities her husband is about to assume. Thereafter, through attendance at company conventions and other means, we do all we can to keep her interest high in a "partnership" which can provide a better, fuller life for the whole family.

California-Western States Life Insurance Company

HOME OFFICE: SACRAMENTO

FRATERNALS

Fraternal Actuaries Meet in Cleveland, Elect Mary Cusic

At the recent meeting of Fraternal Actuarial Assn. in Cleveland, Samuel Eckler, Independent Order of Foresters, outgoing president of the association, reviewed some differences between fraternal insurance in the U. S. and Canada. He explained that there are no statutory provisions respecting fraternal life insurance contracts in Canada whereas in the U. S. many states have detailed statutory conditions. The fraternal society actuary in Canada is free to select any valuation basis that he deems appropriate; in the U. S. the powers of the actuary are much more circumscribed. These and other differences relate to the relationship between the state (including the department of insurance) and the fraternal society and its members. In the practice of selling and administering fraternal insurance and in the fraternal aspects of societies he stated that there is very little difference between Canada and the U. S.

Mary Cusic, Royal Neighbors, was elected president of the association for the 1956-57 year, succeeding Mr. Eckler. Other new officers are Frank H. Lee, Woman's Benefit Association, vice-president; John Gall, Aid Association for Lutherans, secretary and Harmon R. Taylor, consulting actuary, treasurer. Robert H. Taylor, consulting actuary, was named editor, and Ingolf Lee is the librarian.

The officials of Fraternal Actuarial Assn. are the same as those who head the Actuarial Section of National Fraternal Congress. Both the section and the association held meetings in Cleveland during the NFC annual meeting which was in session Sept. 17-19. A report of the meeting of the Actuarial Section appeared in the Sept. 28 edition of THE NATIONAL UNDERWRITER.

Two technical papers were presented at the actuarial association meeting. A paper by Daniel Macken dealt with insurance for the reserve in addition to the face amount assuming continuous premiums and that death claims are paid at the moment of death. Carl Fischer and Augustin C. Mercado in a co-authored actuarial presentation compared alternative systems of commutation functions and corresponding pure premium formulas for calculating pure premiums for hospital insurance.

Papers which had been presented at the association's meeting in Chicago last spring were discussed. R. I. Jacobson, Lutheran Brotherhood, discussed a paper by Henry Scheig, Aid Association for Lutherans, entitled "First Year Lapse Experience by Individual Agent." In his discussion of Mr. Scheig's paper, Mr. Jacobson made some comparisons of the Lutheran Brotherhood experience with that of the Aid Association for Lutherans. Richard Henne of Gleaner Life in his discussion commented on his society's lapse studies. Frank Gadiant of Modern Woodmen also commented on Mr. Scheig's paper.

Allen Peterson's paper, "Mortality Investigation of Lutheran Brotherhood," was discussed by Mr. Scheig. Mr. Peterson is with Lutheran Brotherhood. The purpose of the discussion was to supplement the paper with the recently completed experience of Aid

Association for Lutherans. In his discussion, Mr. Scheig also compared the basic information entering the two studies and the methods employed in developing the mortality tables.

Maccabees Insures Popular Triplets

Maccabees recently insured two sets of publicity-getting triplets. The Fucetola family of New Jersey received front page publicity in Newark newspapers when triplets were born. The family already has four other children including a set of two-year-old twins. Maccabees district manager William

Cadmus of Newark wrote insurance on the New Jersey triplets, thus keeping intact the Fucetola record as a 100% Maccabees family.

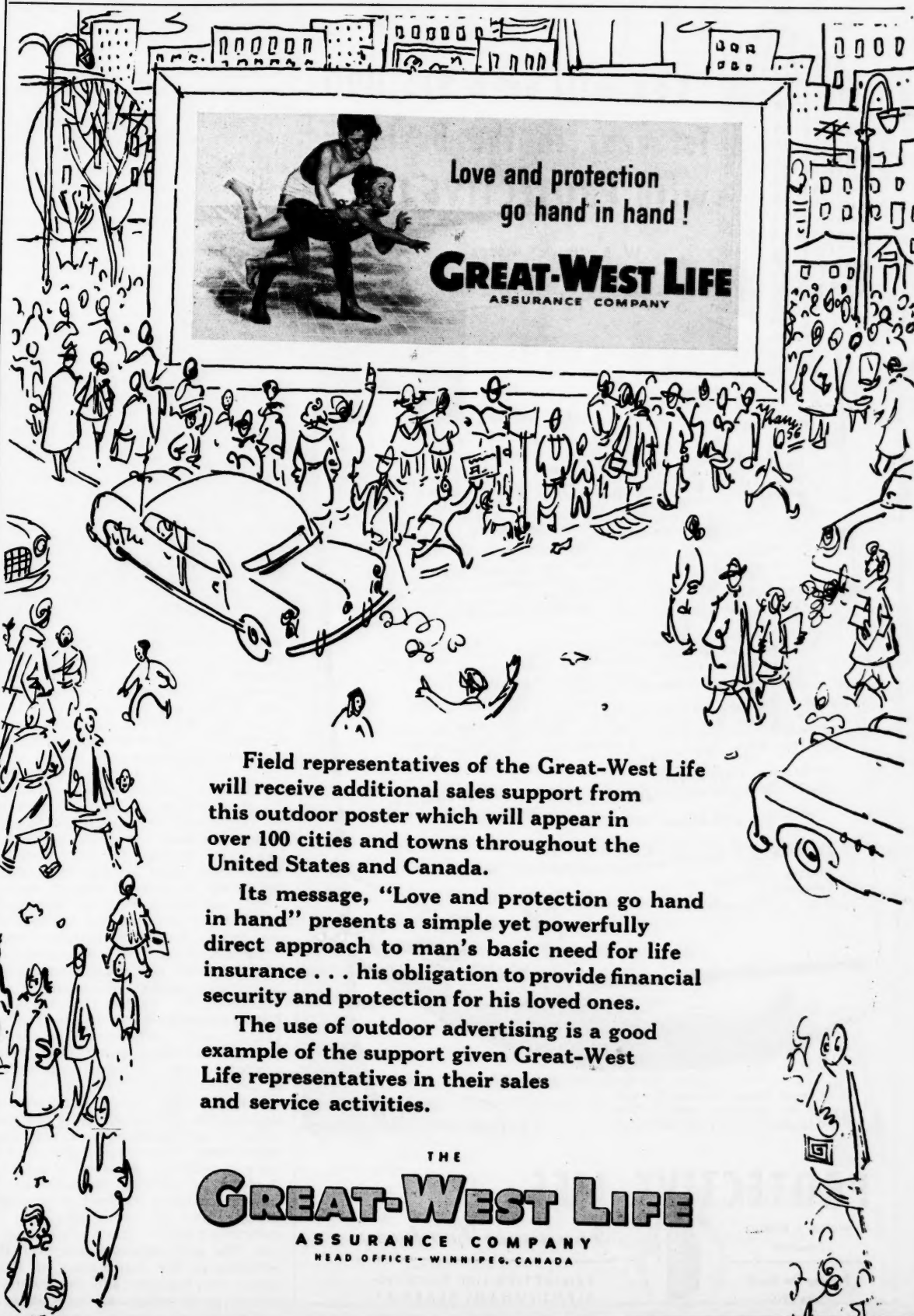
At Detroit, assistant district manager Hazel Stanley wrote insurance on triplets born to Mr. and Mrs. James MacFarlane. This family, which has twins, too, also received its share of publicity in Detroit newspapers.

Equitable Reserve Assn. has appointed M. J. Emerson, former superintendent of agencies for Lutheran Brotherhood, vice-president and agency director.

St. Louis Actuaries Discuss Pension, Profit Sharing

The St. Louis Actuaries Club held their first fall meeting last week.

Stuart Kingston, consulting actuary, led off a discussion on actuarial aspects of profit sharing plans. The advantages and disadvantages of insured, self-insured with combination funding methods for pension plans were discussed with Herbert L. Feay, Marsh & McLennan, presenting the self-insured viewpoint and Raymond F. Houseman, General American Life giving the company's viewpoint.



Field representatives of the Great-West Life will receive additional sales support from this outdoor poster which will appear in over 100 cities and towns throughout the United States and Canada.

Its message, "Love and protection go hand in hand" presents a simple yet powerfully direct approach to man's basic need for life insurance . . . his obligation to provide financial security and protection for his loved ones.

The use of outdoor advertising is a good example of the support given Great-West Life representatives in their sales and service activities.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA

Knowlton Analyzes Status of State vs Federal Regulation of Insurance

Commissioner Donald Knowlton of New Hampshire, in a recent address before Insurance Federation of Minnesota, presented a thoughtful and comprehensive review of the status of state regulation of insurance, particularly as it is effected by the Federal Trade Commission. He cautioned those who sometimes become discouraged with state regulation that the imposi-

tion of federal supervision on top of what exists would produce infinitely more discouragement.

In spite of what National Assn. of Insurance Commissioners and the states have done to bolster state supervision, Mr. Knowlton said, there is evidence of increasing activity on the part of the federal government involving some measure of supervision in vari-

ous fields. Among these are:

1. The prosecution of certain insurance companies by the Federal Trade Commission alleging false and misleading advertising, and the adoption by the commission of rules regulating advertising.

2. The attempt of the Interstate Commerce Commission to adopt regulations with reference to the approval of insurance companies furnishing coverage on interstate carriers which contained provisions giving the commission some measure of supervision over such companies.

3. Proposed legislation in Congress supervising the administration of uninsured pension funds and union welfare funds.

4. The proposal by the Labor Department of a model workmen's compensation law.

5. The recent attempt by Senator O'Mahoney to introduce in the Senate a bill to amend the anti-merger provisions of the Clayton act. This bill would have required life companies making investments that involve no possible aspect of merger or lessening of competition, to notify the Department of Justice and the FTC 90 days before making the investment. Such investments would have included purchases of preferred stock, corporate, state, or municipal bonds from a bank or broker, purchase and lease-back arrangements, exercise of conversion privileges, bulk purchases of mortgages, and acquisition of corporate property through mortgage foreclosures. Imagine the effect of being required to wait 90 days before the completion of such transactions with the prospect of being told that they might violate some federal statute!

The action of the FTC is the most serious threat to exclusive supervision over insurance by the states because it raises the question of the interpretation of the McCarran act and the effect of the passage of state regulatory laws, which will undoubtedly result in a decision of the Supreme Court. Such a decision or decisions will have a more important effect on the future of insurance than anything that has happened since the decision in the SEUA case. While as a lawyer I would like to see the interesting questions which are raised by the cases pending before the commission decided, I cannot help but regret the manner in which this matter was handled by the FTC. In my references to the FTC, I refer to the commission as a body, not forgetting that there are two members, Chairman Gwyne and Commissioner Mason, who have opposed the majority. In my opinion, the federal statute which authorized FTC to deal with unfair trade practices was intended to empower it to prevent such practices. After declaring that unfair methods of competition and unfair and deceptive acts or practices in commerce are unlawful, the statute provides that FTC is empowered and directed to prevent persons, partnerships, or corporations from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce. In other words, Congress has directed the FTC to prevent a continuation of such practices as it may find exist rather than punish the culprits for past practices. A review of the proceedings by the FTC indicates that it has had complete cooperation from the industry and the commissioners in its efforts to stop the unfair practices of a few. The only exception has been the question of the jurisdiction of FTC, which the industry and the commissioners were compelled to contest in

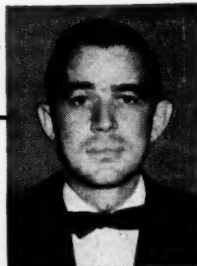
view of the provisions of the McCarran act.

Many companies submitted their advertising to the FTC during the period of its investigations and agreed to comply with recommendations of the commission. In spite of this, they were prosecuted. Since the adoption of the unfair trade practice rules by the FTC, many of the prosecuted companies have agreed to abide by these rules. In spite of this, FTC has refused to suspend prosecution of pending cases. In other words, in spite of the fact that it has accomplished what it was empowered to do by statute, namely prevent unfair practices, FTC still persists in punitive action. To me this means only one thing, and that is that there are certain members of the commission and its staff who are more interested in the headlines which they can get out of prosecuting insurance companies and the additional power they can get out of assuming control on the federal level than they are in working sympathetically and cooperatively to the end that the unethical methods admittedly practiced by a few be terminated. It is inconceivable to me that the commission

(CONTINUED ON PAGE 26)

**"You will earn \$15,000
1st year in the business
with PROTECTIVE LIFE."**

W. E. "Buck" Motes



Mr. W. E. "Buck" Motes
501 North Broadway
Sylacauga, Alabama

Dear Buck:

Even though you had not sold life insurance when you took a Protective Life Agent's contract last October, you already have earned \$11,427.57 in first year commissions. On the basis of your earnings for nine months, it is obvious that you will earn more than \$15,000 in first year commissions during your first year in the life insurance business.

The Company is proud of your record. It is proud, too, of its own record of growth. During the nine months you have been an agent, Protective Life's insurance in force has grown from \$738,000,000 to more than \$805,000,000. The Company has doubled in size in the past four years.

While we believe that our methods, our policy contracts, and our sales material have been helpful in making these records possible, we fully realize that the greater share of the credit is due you, and the other field men who have served so well for so long.

Buck, there are any number of good companies with whom you could have achieved life insurance success. You held the key within yourself. Protective Life is grateful that you gave it the chance to provide the opportunity.

In all sincerity, we tell you: You could have done it without us; we could not have done it without you.

Your sincere good friend,

William J. Rushton
William J. Rushton
President

General Agency Openings Throughout the Southeast. Write to C. B. Barksdale, Agency Vice-President.

PROTECTIVE LIFE

William J. Rushton
President

Serving the South
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA

**\$34.60 to
\$65.00 for
\$10,000 with Waiver!**

— that's the Annual Premium range for

**SECURITY-CONNECTICUT
DECREASING TERM**

taken at ages 25 and 35 respectively. All 5 plans (10, 15, 20, 25 & 30 year) fall within this range at such issue-ages.

Each plan may be written as early as age 15, to carry as late as age 70, with full right to non-medical conversion of any remainder prior to age 60. This includes conversion of the Disability Premium Waiver, which is on a 4 month retroactive basis.

No other life coverage is more flexible and economical for mortgage purposes, or for any family or business obligation of a steadily diminishing nature.

Perhaps you should inquire about this — and some of our other "specials" — right now?

**SECURITY-
CONNECTICUT
LIFE Insurance
Company**

New Haven, Conn.

PETER J. BERRY
President

G. ALBERT LAWTON, C.L.U.
Executive Vice-President



PARENT
COMPANY
FOUNDED 1841

The Mightiest Sales Power Ever Known to Life Insurance



A Message to Life Insurance Executives

Not a trick or stunt,

Not a seasonal campaign,

It has none of the weaknesses of personal selling.

It is a fundamental new way to present your proposition *the way you want it presented.*

In no other way can you go to the prospect and say just what you want to say, the way you want to say it.

He believes it because **YOU** say it.

He can't dispute while your recorded and dramatized message is being delivered, and by the time your message is completed he has forgotten what he wanted to dispute about.

That's why it sells. It takes charge and cannot be pushed around.

It looks like a toy, but it is *The Mightiest Sales Power Ever Known to Life Insurance.*

It is the Sound Slide-film — the Talking Picture — the Miracle of Selling.

It will revolutionize the sale of Life Insurance and all other major products.

If you want to get in on the ground floor act now.

Ask us for a copy of **I AM THE GREATEST LIFE INSURANCE SALESMAN IN THE WORLD.**

Its profound reasoning will appeal to your practical common sense.



O. J. McCLURE TALKING PICTURES

1115 West Washington Boulevard
CAnal 6-4914 Chicago 7, Ill.

EDITORIAL COMMENT

Some Light Shed, Still More Needed

The keenly-anticipated, heavily attended National Assn. of Life Underwriters "debate" on per-life group limits has come and gone. What, if anything, has been gained from it? Quite a lot, we believe.

Admittedly, it seems quite unlikely that anybody's convictions were changed by the arguments stated by the protagonists, E. C. McDonald, vice-president of Metropolitan Life, and David B. Fluegelman, general agent of Connecticut Mutual Life at New York, past president of NALU and currently chairman of its group committee.

But in spite of that, even the most pro-jumbo-group and anti-jumbo-group partisans in the audience that jammed the Hotel Statler's main ball room must have been impressed by the fact that there was another side than their own; that it has some strong and sincerely held convictions and some pretty powerful or at least pretty plausible arguments to support them; and that regardless of the strength or weakness of its logic, the other side has so much at stake that it clearly is going to hold to its present position as long as it possibly can. The more you know of the other fellow's strength, the more likely you are to deal realistically and effectively with the matters at issue.

Much of the value of the NALU jumbo group panel was in laying bare the problem, in all its sprawling immensity, before an audience made up predominantly of agents who write little if any group insurance. So complex are the factors involved that it became increasingly clear, as the discussion progressed, that a truly satisfactory solution, one that would be fair to all, would involve the "re-thinking" of some of the most basic considerations in life insurance.

What Mr. Fluegelman was attempting to prove was that the writing of jumbo group is an evil that transcends the jumbo group insurer's relations with its own agents and harms the institution of life insurance so seriously that it should be curbed by the insurer's action or, failing that, by statute. This is quite a large order.

Mr. Fluegelman made adroit use of his material. He evoked tumultuous applause and a standing ovation. But unfortunately for the cause of light-shedding, the "debate" consisted almost exclusively of a comprehensive statement read by Mr. McDonald followed by the reading of a similarly full statement by Mr. Fluegelman. As

a result, Mr. McDonald, in the role of "defendant", had no time to take up some of the concepts advanced by Mr. Fluegelman, question their validity, and see if Mr. Fluegelman could marshal the evidence necessary to convert them from mere statements to the proof needed to support his accusations against the writing of jumbo group.

True, Mr. McDonald did refute Mr. Fluegelman's statement that the General Motors dealers group case was written ex-commission. But that was a simple factual inaccuracy, easily and incontrovertibly corrected. The sort of thing we are talking about is the basic philosophy underlying a life company's relationship with the public and with its agents—and how jumbo group fits into the picture, if it fits at all.

If the NALU forum on jumbo group did nothing else, it brought out forcefully the need for exploring these basic concepts, determining what they really are, and deciding whether they are appropriate to today's conditions or have become somewhat archaic. In that way it will be possible to see how jumbo group ties in with the basic tenets of the business. At present these tenets are so vaguely understood that they can be cited with equal effectiveness by those on either side of the jumbo group question.

What we'd like to see is a sequel to the NALU forum in which these basic concepts would be aired and jumbo group scrutinized in the light of the findings. We'd suggest that it be a strictly informal panel, with a moderator who would act as an interlocutor to question the "pro" and "anti" members of the panel with a view to evolving at least a statement of the issues. It might be necessary to "agree to disagree" but at least it would be known, with more sharpness than is presently possible, what the area of disagreement is.

Incidentally it might be well to have the life insurance buying public represented in such a forum. A representative of the group buyers would be able to give a helpful point of view it would seem.

Conn. Mutual Mortgage Men Note Increase in Shopping Centers

The large increase in the number of new shopping centers throughout the country and the need for such centers, if well located, was among the topics discussed at a 3-day conference of 54 mortgage loan representatives of

Connecticut Mutual at the home office. Vice-president Frederick J. Eberle was in charge of the meeting. Speakers included Chairman Peter M. Fraser; President Charles J. Zimmerman; George A. Scheidler, assistant vice-president; E. C. Joslin, supervisor of city loans, and Edward Orchard, assistant supervisor of city loans.

PERSONALS

Charles Becker Jr., vice-president of Franklin Life, and Mrs. Becker are the parents of a son, Charles Everett II, born last Sunday. The Beckers are the parents of another child, a daughter, Libby, age 3. The new baby's grandfather, Charles E. Becker, is president of Franklin Life.

Charles W. Dow, president of Equitable Society, has been elected to a seven-year term on the board of trustees at Barnard college, New York City. He has been president of Equitable Society since February and previously had been senior vice-president in charge of investments.

Kenwood Plaza, new \$5 million shopping center on the outskirts of Cincinnati, was formally opened. It, along with several others in southwestern Ohio, are enterprises of **James R. Williams**, formerly financial vice-president of Western & Southern Life.

DEATHS

MICHAEL S. SZYMCAK, 57, retired assistant superintendent of Prudential at Buffalo, died there after a long illness. He started with the company in 1925, became assistant superintendent in 1938 and retired in 1950.

BENJAMIN R. MICHAEL, 65, with Equitable Society at Cleveland since 1948 and a leading agent in the Dymond agency there, died suddenly. He was a CLU.

LOVELL H. COOK, 58, general agent of Massachusetts Mutual at Springfield, Mass., since 1931, died in Springfield hospital.

W. T. TRUMP, 88, for many years general agent for Midland Mutual Life in Dayton, O., died. Mr. Trump was one of the Midland Mutual's pioneer field representatives. He joined the company in 1908, two years after it began business. Subsequently, he was appointed general agent in Dayton and served in that capacity until his retirement in 1945. Mr. Trump's son, Paul, is associate general agent in Dayton for Midland.

Charles B. McCaffrey, director of advanced underwriter training at Northwestern Mutual Life, discussed "The Use of Life Insurance in Deferred Compensation" before San Francisco CLU chapter.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Oct. 2, 1956

	Previous	Current
Week's Bid	Bid	Asked
Aetna Life	164	156 159
Beneficial Standard	17	15 1/2 16 1/2
Cal-Western States	85	85 88
Colonial Life	95	92 96
Columbian National	80	79 84
Commonwealth Life	19 1/4	18 19
Connecticut General	233	223 228
Continental Assurance	112	121 126
Franklin Life	76 1/2	76 77
Great Southern Life	75	73 77
Gulf Life	28 1/2	26 1/2 27 1/2
Jefferson Standard	121	114 117
Kansas City Life	1290	1225 1275
Life & Casualty	38 1/4	24 25
Life Insurance Investors	13 1/2	13 14
Lincoln National	200	199 203
Missouri	21 1/2	21 22
National L. & A.	84 1/2	84 85
North American, Ill.	20	19 20
N. W. National Life	72	69 73
Ohio State Life	217	222 226
Old Line Life	60	60 65
Southland Life	92	90 96
Southwestern Life	95	93 98
Travelers	64	63 1/2 64 1/2
United, Ill.	23	21 22
U. S. Life	26	26 27
West Coast Life	45	42 45
Wisconsin National	52	50 54

Tait to Succeed Mason on FTC

WASHINGTON—Edward T. Tait, of Pennsylvania, has been appointed successor to Lowell Mason as a member of Federal Trade Commission. Mr. Mason's term expired Sept. 30, but FTC members may hold over under the law until their successors qualify. There is some question whether qualification will wait for confirmation by the Senate.

Mr. Mason has been particularly active on FTC in connection with A&S. He sponsored the idea of a trade practice conference for the A&S business and presided over that meeting.

On the other hand, Robert R. Sills, legal advisor to FTC, recently was given a superior service award by FTC in recognition of his work in the A&S field. He was in charge of the FTC A&S investigation and has appeared as counsel supporting a number of complaints issued by FTC charging false advertising of A&S.

Mr. Tait recently was one of five assistants to Sherman Adams, White House advisor. Prior to that he was executive assistant to the chairman of Securities & Exchange Commission. He was a member of the Kountz, Fry & Meyer law firm at Pittsburgh.

Six More Companies Join HIA

Six companies have joined Health Insurance Assn. which brings membership to 254.

The companies are Carolina Home Life, Country Life of Chicago, London & Lancashire, Orient, Sun and Surety Life of Greenville, S. C.

W. A. Doherty, Pendleton, Ore., with Bankers Life of Iowa for 40 years, was feted at a special dinner in Portland.

THE NATIONAL UNDERWRITER

—Life Insurance Edition
EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell.
Assistant Editors: John B. Lawrence, Jr.
and Walter C. Crocco.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Associate Editor: John C. Burridge.
Assistant Editors: Richard J. Donahue and Richard G. Ebel.
Copy Editor: Foster P. Stockwell.

CINCINNATI 2, OHIO—420 E. Fourth Street. Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. A. J. Edwards, Manager for Indiana and Michigan.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

KANSAS CITY 6, MO.—950 Dierks Bldg., Tel. Baltimore 1-2244. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 2420. Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

OFFICERS:
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3436. Fred L. White, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027. Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



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CLU Class of 1931 Honored in Washington



The CLU class of 1931 received special recognition at 29th annual conferment exercises of the American College of Life Underwriters in Washington Sept. 26. Many who attained the designation 25 years ago became prominent in the CLU program. Out of an original class of 176, seventeen accepted the invitation of Dr. S. S. Huebner, president emeritus of the college, to attend the conferment dinner. Paul F. Clark, president of John Hancock and vice-chairman of the college's board, sat at the speaker's table. This photo shows the other 16. Standing (left to right): William Eugene Hayes, general agent in Boston for New England Life and a trustee of the American College; Benjamin Alk, past president of the American Society of CLUs, with Penn Mutual at New York; Charles A. Blatchley, Union Central Life, New Rochelle,

N.Y.; Francis J. Budinger, Franklin Life, Chicago; Dr. Con J. Fecher, New York Life, Dayton; Earle S. Rappaport, president of the Chicago CLU chapter, Pacific Mutual; Paul D. Sleeper, Aetna Life, Washington; Harvey A. Timby, Equitable Society, Darien Center, N.Y.; and Charles J. Zimmerman, president of Connecticut Mutual Life. Seated (left to right): Herbert R. Hill, past president of LUTC, Life of Virginia, Richmond; Robert G. Jones, Seattle, former director of the society; Archie M. Koon, Equitable Society, Bloomington, Ind.; Edward A. Krueger, past treasurer of the American society, now director of field services for State Life of Indianapolis; Joseph A. Marr, Penn Mutual, Washington; Albert W. Moore, New England Life, Wynnwood, Pa.; and Mrs. Hazel Brumbaugh Price, Midland Mutual, Pittsburgh.

Break Ground for NALU Home

Building committee of NALU breaks ground at site for the proposed headquarters memorial building on C street, between 22nd and 23rd streets, in Washington, D. C. Ground-breaking ceremonies were held in the rain on Friday, Sept. 28th. Members of the committee are (from left): Osborn Bethea, Prudential, John D. Marsh, Lincoln National Life, Washington, D.C.; Grant Taggart, California - Western States Life, Cowley, Wyo.; Charles L. Cleeton, Occidental Life, Los Angeles, chairman of the committee, and Herbert A. Hedges, Equitable of Iowa, Kansas City.



Highway Route Shift Clears Way for Wing on Aetna Home Office

Aetna Life has applied to the Hartford building department for permission to construct a \$4 million addition to its home office at 151 Farmington avenue.

Way was cleared for the addition by the state highway department's decision to relocate the route for the proposed east-west highway. It was planned originally to construct the highway through the rear of Aetna's property, but new plans call for a route further south that would not touch company land. Aetna's plans, announced in 1951, have been held up by the original highway proposal.

Aetna would build a wing connected to the south wall of the home office. The addition would face Sigourney street and be 175 feet long and 125 feet wide. Six stores, a basement and sub-basement would contain facilities for 750 employees. Steel frame and concrete slab construction would match the Georgian colonial architecture of the present building. The municipal building department has been studying the plans to see if the conform with the building code.

Contractor will be George A. Fuller Construction Co., which recently completed an addition to the Travelers home office. The Aetna job is expected to take about 18 months.

President William S. Beers said excavation is expected to begin "at almost anytime." The addition is being built to catch up with great needs for more space.

Pacific Mutual Invests \$2 Million in Automation

A Univac electronic "brain," owned by Pacific Mutual Life, wrote out a check for more than \$1 million in final payment for itself recently. The check was presented by President T. S. Burnett, president of Pacific Mutual, to Leslie R. Groves, vice-president of Sperry Rand Corp., bringing Pacific Mutual's investment in electronic data

processing to \$2 million. The Univac system will initially do work of 135 persons in keeping records of more than 350,000 insurance policies.

President Burnett emphasized that no employees would be displaced as a result of the electronic data processing. Growth of Pacific Mutual will absorb most of those replaced by Univac, he said, and normal employee turn-over will account for the rest.

Pacific Mutual was the first private enterprise in the west to install the Univac large scale system, which it began testing more than a year ago. In the 1870's the old Pacific Mutual Co. installed the first calculating machine in the west, an unwieldy brass contraption called the arithmometer.

Wis. to Adopt A&S Code

MADISON—Commissioner Rogan will shortly issue an order for the adoption of a code of fair practices governing the advertising of accident and sickness insurance in Wisconsin. Representatives of companies doing business in the state attended a hearing conducted by the commissioner and appeared in general agreement for the adoption of a code based on that adopted by the National Assn. of Insurance Commissioners last year and by 40 other states.

Mr. Rogan stated at the hearing that most complaints registered with his department concerning A&S insurance are about mail order companies not licensed by Wisconsin.

Offer Book on Credit Insurance

Installment credit commission of American Bankers Assn. will publish a new manual on installment credit insurance in order to familiarize banks with various insurance coverages available for use in conjunction with installment lending operations.

The 40-page book discusses in detail the makeup and uses of coverages related to the financing of appliances, automobiles, boats, construction and industrial equipment, farm equipment and livestock, mobile homes, home modernization, personal and small business loans. It explains general insurance coverages for two or more loan classifications, such as bankers' blanket bonds, conversion, credit life and disability and non-filing bonds. The book is called *Insurance Tools for Bank Installment Credit*.

Atlantic Advantages

Atlantic Launches Four New Plans To Meet Specialized Needs

Four new plans—four added reasons for the steadily increasing volume written by Atlantic Life representatives. These new policies highlight Atlantic's continuing program to keep Atlantic Agents "out front" with a full range of contracts to meet changing client needs.

1. **NEW \$25,000 MINIMUM Ordinary Life**—offering business, professional and executive groups permanent protection at low premium outlay.
2. **THE EXECUTIVE SPECIAL**—10 Pay Life policy issued only in amounts of \$25,000 or more. This policy is specifically designed to attract large buyers of Life insurance and particularly individuals in the higher income tax brackets.
3. **TERM PROTECTOR**—an annually reducing Life plan designed to provide maximum coverage with low premium outlay. The Term Protector is a policy within itself—not a rider.
4. **BUSINESS OVERHEAD EXPENSE DISABILITY PLAN**—business expense protection for the indispensable business or professional man whose company income depends on his ability to work. Tax deductible—the plan offsets overhead that continues after income stops.



ATLANTIC LIFE

INSURANCE COMPANY

HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

OPPORTUNITY IN SAINT LOUIS



FOR THE MAN READY FOR GENERAL AGENT RESPONSIBILITY

In St. Louis (the ninth ranking metropolitan market of the nation)—we have available, an unusual and outstanding opportunity for the right type of man, eager and ready for General Agent advancement. Our one hundred ninety-five million dollar company is marching forward throughout its entire operating area, from the Territory of Hawaii . . . from California to Florida—in a vigorous expansion program. As a career man with National Reserve Life, you are assured the utmost in complete home office cooperation plus tested, effective sales aids.

The prosperous St. Louis area offers tremendous rewards to the right man with our company. If you feel you are that man, write us today for complete information. All correspondence will be kept in strict confidence. Don't delay—write today!

H. O. CHAPMAN, Pres.,
S. H. WITMER, Chm. of the Board



**NATIONAL RESERVE
LIFE INSURANCE COMPANY**
TOPEKA • SIOUX FALLS

Strong as the Strongest
ENDURING AS RUSHMORE



"One of the Best"

... a reputation earned by Central Life's devotion to progress, consistent with Safety, Service and Quality through six decades . . . a reputation maintained by progressive leadership.

Insurance in Force over \$440 Million
Assets over \$140 Million



**Central Life ASSURANCE
COMPANY**
HOME OFFICE DES MOINES, IA.

Neal Tells Claim Assn. of Widening Scope of A&S Field

Robert R. Neal, general manager of Health Insurance Assn. of America, discussed the widening scope of A&S at the 3-day annual meeting of International Claim Assn. at Hotel Chamberlin at Old Point Comfort, Va.

The public need and acceptance of A&S has increased phenomenally in the last 15 years, Mr. Neal pointed out. During that period, 17 times as many people have some form of surgical expense coverage, nine times as many have hospital plans, and 14 times more have regular medical expense protection.

The A&S business had only limited experience with Congressional committees, agencies and legislation prior to 1953. Then, with little warning, it faced a House committee investigation to determine what people could do to insure themselves against the rising cost of medical care. Then came hearings into mail order insurance, the Federal Trade Commission investigation into advertising and the federal reinsurance proposal.

Recognizing the need for coordination among interested trade associations to meet these developments, the joint committee on health insurance was formed to recommend an industry position on the immediate problems and chart a course for the future. It was recommended that a new trade association, Health Insurance Assn. of America, be established to supplant Bureau of Accident & Health Underwriters and Health & Accident Underwriters Conference and largely supersede A&S trade association work being carried on in varying degrees by five other trade associations.

One of HIAA's functions is in the field of state and federal legislation and regulation, Mr. Neal said. Perhaps the most far-reaching issue is the FTC investigation of A&S advertising. FTC's attempt to assert its jurisdiction in this area is directly contrary to the intent of Congress that the right to regulate business should rest with the states, he added.

It is likely that the health proposals introduced in Congress in the past will appear again, and it will be a busy year in the state legislatures, Mr. Neal predicted. Much legislation will have far-reaching effect on claim men and women.

HIAA also operates in the field of information and research to find areas where the business may consider improvement and development; in the field of education services to keep companies abreast of changing conditions; and in the field of public relations. The foundation of the A&S business rests on service and, in turn, the goodwill gained from the public for the service given, Mr. Neal said.

Owen Rall, a Chicago lawyer, told the meeting that the benefits flowing from the proper policing of claims should include an attempt to obtain interstate uniformity of court decisions. While the selection of cases worthy of appeal is usually the law department's responsibility, the claim men and local counsel representing the company can assist the law department.

Mr. Rall spoke on "Putting Your Best Foot Forward in the Defense of Insurance Cases." To do this, he said, claim men should maintain and publicize the fine record of the insurance business for living up to its contracts.

Your Mutual
Benefit Life
Man says:



"A
good life
insurance
job works
both ways!"

When you give your client life insurance that meets his exact needs down to the last tiny detail, you've done a good job. And because you've done a good job for him—you've got a good job for yourself. It's a simple philosophy, but it's a prime reason why Mutual Benefit Life men like John B. Lovett of Hackensack, N.J., have so many pleased clients and enjoy so much success right from the start. The Mutual Benefit Life Insurance Company, Newark, N.J.



LOOMIS ELECTED

Challenge of Greater Service Is Theme of Wis. A&H Congress

MILWAUKEE—To meet the challenge of providing greater service in the health and accident field, the latest developments in merchandising, coverages and legislation were discussed at the annual sales congress of Wisconsin Assn. of A&H. Underwriters here.

At the business meeting, held in conjunction with the sales congress, Ace D. Loomis of North American Life, LaCrosse, was elected president to succeed Dale B. Potts of Wisconsin Casualty Assn. Other new officers are Hugh G. Raymond of Massachusetts Protective, Madison, 1st vice-president; George R. Welter of Time, Eau Claire, 2nd vice-president; Leo E. Packard of the Packard-Carson agency, Milwaukee, secretary, and Alfred K. Perego of Milwaukee, treasurer.

Members of the board are presidents of local associations with Mr. Potts as chairman. They are Richard E. Mueller of Milwaukee, Harold D. Fair of Madison, Jack W. Hasking of Eau Claire, Paul Moldenhauer of Waupun and Frank Kneeland of LaCrosse.

Howard E. Dewey, sales vice-president of Mutual Benefit H&A., opened the program with a talk on "What Makes A Successful Salesman Tick." He said that figures show that in most sales organizations, about 75% of the sales are made by 25% of the salesmen. "There is a tremendous difference between agents at the top level and at the bottom. The successful salesman," he said, "must first be sold on himself, on what he is doing and on the product he is selling."

Mr. Dewey illustrated his point by saying that a million dollar life producer when asked how to sell a \$100,000 policy replied that "first you have to buy one yourself."

"What also makes a successful salesman 'different' is a desire for something definite—for money and the things that money can buy," he said. "He likes prestige and above all he wants to be a winner. Ask any sales manager and he will tell you that the salesman who is going places in his organization is the guy that likes steaks and Cadillacs. He's just not satisfied to be average."

"Fulfilling your desires and ambitions may mean perfecting your sales talk. It may mean seeing more people, possibly better prospecting or perhaps calling on a better class of people. It may mean self management, discipline or stronger, harder closing. Whatever it is, you will do the things that need to be done only if you want badly enough the results that will inevitably follow," he concluded.

Following Mr. Dewey's talk, the association conducted its business meeting and met for lunch. Gibson Wright, zone chairman of the International association, spoke briefly on International association affairs. He emphasized that it is the function of the individual agent to accomplish public relations for the business on a local level. He said this can be very profitable for the agent, as it exposes him to a lot of people as an aggressive citizen and as a factor in his community, which enhances his prestige and builds the confidence of prospective clients.

E. J. Coffey, president of the International association, and Bruce Gifford, managing director, were guests at the annual banquet. Highlight of the evening was presentation of Leading Producers Round Table awards to Wisconsin qualifiers by Alex H. Siegner, committee chairman. Receiving awards were Arthur Lind of Milwaukee and Gibson Wright of Eau Claire, gold awards, and Norman Kleist of Eau Claire and Earl F. Stimers of Rice Lake silver awards. Bronze awards went to Lawrence Allord, of Madison, Fred Bender of Wausau, Axel Frederickson of Ironwood, Garvey Havenor of Rice Lake, Frank Magadance and Ralph Seyforth, both of Eau Claire, and Erwin von Lange of Milwaukee.

Speakers on the second day were William Highfield, A&H editor of Insurance Research & Review Service Inc., and S. L. Horman, vice-president of Time of Milwaukee.

Mr. Highfield said there is no faster moving or more misunderstood business than A&S. "While tremendous public service progress has been made," he said, "the surface has hardly been scratched." He cited reasons behind the phenomenal growth of A&S sales and gave several sales ideas and power phrases, facts and figures to strengthen sales presentations.

Mr. Horman said the reasons for the growth in A&S premiums was directly related to the fact that a higher standard of living and increasingly heavy taxes on personal income has caused the average wage earner to mortgage his paycheck "right to the hilt" with day to day living expenses and installment payments leaving no excess for savings. Also contributing to the increase, he said, are the rising costs of hospital and medical care and the tax advantages to employers and employees. He predicted that changes in the social security law will create a greater demand for disability income coverages both as a basic floor of protection and as a supplement to OASI benefits.

Commissioner Paul Rogan of Wisconsin, addressing the sales congress, cautioned that misrepresentation by agents is still the prime cause of complaints to the department on A&S insurance. He said the sorest spots are failure to inform a new insured about the pre-existing conditions clause, and failure to inform insured exactly as to the cancelability of a policy either after a loss or after a certain age level.

The commissioner said many individuals believe that all A&S policies cover pre-existing conditions, and they learn the facts of the situation after having been denied a claim. One of the "lowest forms of solicitation," he said, is when an agent sells a policy which is renewable at the option of the company and represents it to the prospect as non-cancellable. Such selling will be interpreted by the department as not in accordance with the new code of advertising which is to be adopted shortly in Wisconsin, he declared, adding that it is his intention to recommend, after a meeting with company representatives, the adoption of "some form of cancellation legislation" next year.

Gold Seeks \$300,000 Budget

Commissioner Gold of North Carolina has requested the state advisory budget commission to increase the department's annual budget from \$257,000 to \$300,000 and to add ten new persons to his staff. He asked that he be allowed to rent electronic data equipment to speed filings of agents' licenses and company reports.

Mass. Mutual Conducts Pension Trust Clinics

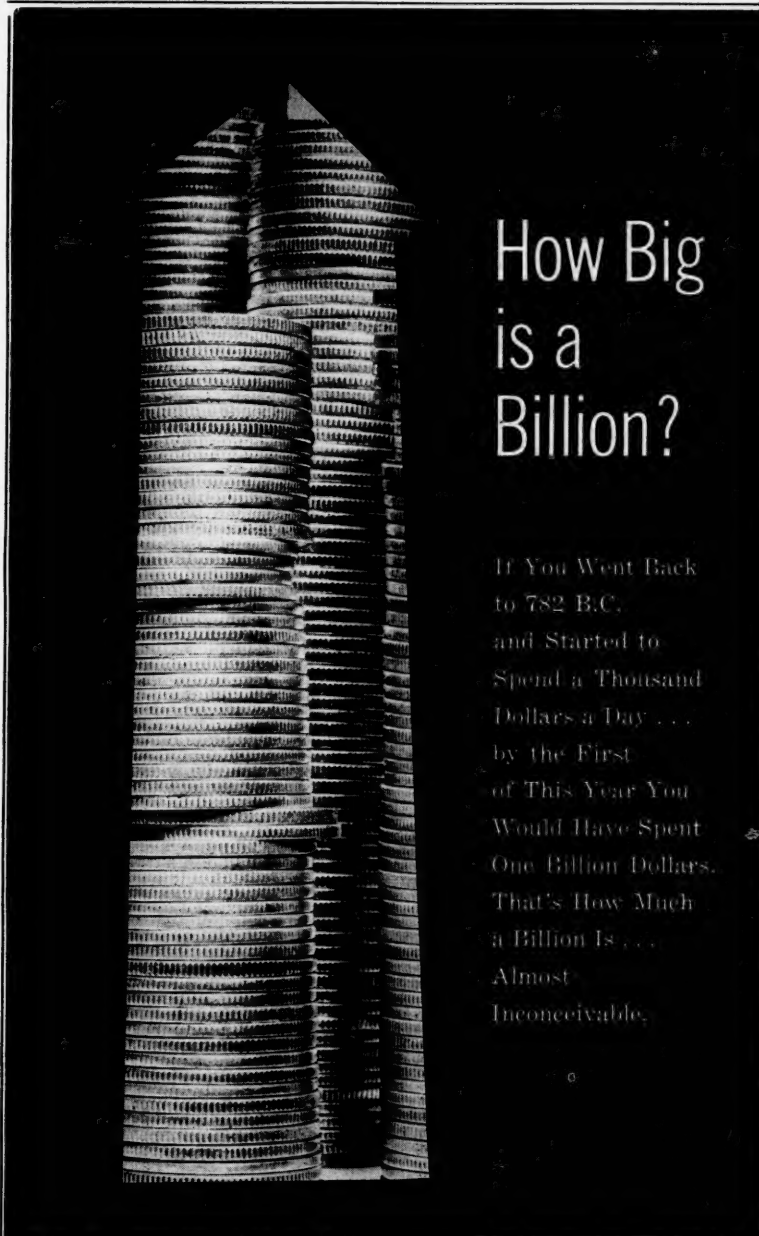
Massachusetts Mutual Life has been conducting a series of pension trust clinics throughout the country. Since introducing its new pension trust manual in the summer, clinics have been held in New York, Syracuse, Newark, Boston, Chicago, Kansas City, San Antonio, Pasadena and Seattle. With 59 enrolled, the Chicago clinic was the largest one to date. Three more sessions will be held in Fort Wayne, Baltimore and Atlanta.

The clinics have been conducted by

the advanced underwriting sales division of the company's agency department. Superintendent E. James Stephens and assistant superintendents William J. Clark and Edward B. Sullivan Jr. have headed the instructing

Farm Bureau Appoints Burns

Farm Bureau Life of Michigan has appointed William R. Burns, former planning supervisor for National Life of Vermont, as head of life operations with the title of assistant manager. Previously Mr. Burns was with Homesteaders Life, Central Life and Travelers.



How Big is a Billion?

If You Went Back to 782 B.C. and Started to Spend a Thousand Dollars a Day . . . by the First of This Year You Would Have Spent One Billion Dollars. That's How Much a Billion Is . . . Almost Inconceivable.

The Republic National Life of Dallas Reached the Magic Number of One Billion Dollars of Life Insurance in Force in June . . . and Has Now Moved Up To

\$1,100,000,000

RNL

Republic National Life Insurance Company

3908 NORTH CENTRAL EXPRESSWAY DALLAS, TEXAS

Post-Dispatch Keeps Heat on Ill. Department

(CONTINUED FROM PAGE 1)

application papers and filed them, but there has been no license forthcoming. "We have just been ignored," Mr. Berry declared. "The situation in the Illinois insurance department is awful—it's disgraceful."

Farmers Elevator Mutual Casualty of Des Moines, the *Post-Dispatch* relates, tried unsuccessfully for 16 to 18 months to get an Illinois license, but was unable to get to first base until it hired a Chicago law firm and paid \$4,000. In this case, George Barrett was not mentioned. The law firm was Enright & Enright which at first asked \$7,500, but accepted \$4,000 when the company objected. Edward H. Enright handled the case with the late Robert Barrett, then Illinois director, but said he does not know George Barrett.

Richard Edison, vice-president of Farmers Elevator Mutual, told the *Post-Dispatch* that in 1952 it tried to get an Illinois certificate, "but just couldn't get anywhere. The Illinois insurance department kept advising us

that this had to be done and that had to be done. As soon as we would make one suggested change or provide some requested information, we would be told that something had to be done before we could get a license. We were unable to find out exactly what was required. Finally, when I was in Chicago on business about the middle of 1953, a friend of mine told me we would never get a certificate the way we were going about it. He recommended Enright & Enright."

After engaging the law firm, Mr. Edison said, "we had not the slightest difficulty with the Illinois insurance department. There was some correspondence with Enright and a few telephone calls, but no problems such as we had encountered previously."

When the company received its license at the end of 1953, Enright & Enright sent a bill for \$7,500. The company thought this was far too high, particularly in view of fees it paid for similar work in other states, and it sent a representative to see the law firm, which finally agreed to a payment of \$4,000.

Commissioner Sheehan of Minnesota told the paper he held up the appli-

cations of Illinois companies for six to nine months in 1955 because Minnesota companies were having troubles in obtaining Illinois licenses. Mr. Sheehan said he saw McCarthy at the zone 4 meeting in Chicago last fall and told him about the retaliatory measure. McCarthy asked Mr. Sheehan for the names of the Minnesota companies and promised to look into the applications.

"He did look into them immediately and the applications were approved within the matter of weeks," Mr. Sheehan said. "Shortly after that—late in 1955—I lifted the bar against the Illinois companies."

Douglas Farnum, president of Great Northern of Minnesota, one of the companies involved, said he never heard George Barrett's name mentioned while his company was seeking an Illinois license, but added: "I did hear rumors of conditions in the Illinois department—that things there kinda smelled."

Discussing Illini Mutual, the *Post-Dispatch* said the Illinois department went to unusual lengths to help the company—allowing it not to file an annual statement, as required by law, in 1954 and to file late in 1955.

Two members of the Illinois legislature were officers and directors of the Illini Mutual, and the *Post-Dispatch* reports that financial difficulties of the company were handled almost entirely by McCarthy, who gave permission for the company to withhold its 1954 statement and to file its 1955 statement late.

Ralph R. Patton, supervisor of the Illinois department fire division, said McCarthy's judgment in the case "has been vindicated since the claims are all being settled and no policyholder is going to lose any money, because the business has been reinsured."

An Illinois domiciled company was prevailed upon to take over management of Illini Mutual and its law firm reinsured the Illini Mutual's policies with Imperial Casualty & Indemnity of Omaha. Imperial C. & I. received prompt service in obtaining an Illinois license, putting in its application May 1 and receiving the license June 5. Mr. Patton, who was asked about this promptness, said: "That kind of service is possible whenever I am able to give my full time to it." He said there was no relation between the speed of giving the license and the company's reinsurance of Illini Mutual's fire policies.

Chicago Agents Rap Double Dollar Plan

(CONTINUED FROM PAGE 1)

is cancelable, thus raising the possibility that the individual will be left without protection at older ages when he will be uninsurable by private sources.

Richard P. Larsen, executive vice-president of the South Side Bank & Trust Co., said:

"No place along the line have we said 'free insurance.' We are paying for it and our savings depositors contribute nothing towards its cost. Savers are told to see a regular insurance agent in addition to their insurance here."

The agents association said these plans are "admittedly attractive to older and the uninsurable people." They charged that this type of group policy means that "the younger and healthier are actually subsidizing the insurance for the older and uninsurable."

Colonial Life Awards Freshman Scholarship

Colonial Life has selected John G. Graham of East Orange, N. J., as the winner of its 1956-57 freshman scholarship for mathematics at Upsala college.

The scholarship amounts to \$750 including tuition and incidental expense, and was established by the company this year. The company's executive committee also has approved the continuation of the freshman scholarship for a young man entering the 1957 freshman class at Upsala and the granting of an additional sophomore scholarship of \$750.



Richard B. Evans, president of Colonial Life, is shown presenting to John G. Graham of East Orange, N.J., the company's freshman mathematics scholarship to Upsala college, East Orange.



A Jack Nussbaum, (right) Massachusetts Mutual, Milwaukee, president of National Assn. of Life Underwriters, gets some last minute pointers from Dunninger during the rehearsal for the latter's TV show in New York City. Mr. Nussbaum challenged Dunninger to tell him the total dollar face value of the last policies sold by all NALU members prior to their attendance at their convention in Washington. Dunninger correctly named seven digits of the 8-figure total.

Toledo Life Managers Assn. Elects Heine, Lincoln National, President

Joseph Heine, Toledo general agent for Lincoln National Life, has been elected president of the Toledo Life Managers Assn. He succeeds Gilbert Templeton of Metropolitan Life.

Other officers are Albert Dickson, Equitable Life of Iowa, vice-president, and Joseph F. Dwyer, Columbus Mutual Life, secretary-treasurer.

Pilot Life

The man who sells Pilot Life Protection Plans is a proud man.

He's proud that he can offer clients Charted Security Service. The Pilot's Charted Security Service color presentation actually shows prospects what they may expect in years to come—and plans future security for them.

He's proud to offer prospective parents the Parents' Protection Plan. Parents of children born with a disability, malformation, or mental deficiency are protected from financial ruin—Pilot actually pays up to \$10,000 for treatment of such conditions.

He's proud that his company has pioneered in such needed fields as scholastic accident insurance and credit insurance—and will be the leader again and again when other new and practical plans are advanced.

He's proud to represent a company that in the period of 53 years has grown until it now has more than \$1,103,000,000 insurance in force.



Pilot Life Insurance Company
D. R. WEAVER, PRESIDENT
GREENSBORO, NORTH CAROLINA

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COMPANY & AGENCY CHANGES

American United Life

Harold L. Franklin has been appointed manager for the Tampa agency, and **Horace L. Hamilton** has been named agency manager at Rockford, Ill. Mr. Franklin has been in the insurance business for seven years. Mr. Hamilton has been an agent for eight years.

Ohio State Life

Richard G. Sutherland has resigned as director of sales promotion and education effective Sept. 30 to return to the southwest. He expects to remain in life insurance agency and sales promotion work there and will announce his future plans after a short vacation at his Ft. Lauderdale, Fla., home.



Richard G. Sutherland

Mr. Sutherland entered life insurance as an agent with Connecticut General at Hartford, becoming a brokerage sales promotion specialist and helping to set up the company's national brokerage operation. Before joining Ohio State Life he was manager of mortgage life insurance sales for Trans-American Life of Ft. Worth and American Bankers Life of Miami. A former journalism and advertising instructor at Indiana University, Mr. Sutherland was also an independent sales promotion and public relations consultant.

Mutual of New York



A. C. Gill

transferred to the underwriting division in that capacity later that year. He formerly was with Travelers' actuarial staff 2½ years.

Appointees to the sales department staff at the home office for special training pointing toward managerial positions are: **Robert F. Broderick**, with the company since 1951 and assistant manager in Boston since 1954; **Paul E. Jungmann**, with the company since 1952 and assistant manager in Des Moines since 1954; **Delwyn E. Myers**, with the company since 1948 and assistant manager in Springfield, Ill., since 1950; **Dwight E. Redd**, with the company since 1948 and assistant manager at Cleveland since 1933; **Delmar D. Stevens**, with the company since 1947 and assistant manager in Detroit since 1955; **Arthur C. Livick Jr.**, who has been with Equitable Society in Richmond since 1952, and **Gilbert L. Muddell Jr.**, who entered the business in 1945 and has been manager of Republic National Life at Amarillo since 1950.

Security-Conn. Life

Benjamin A. Yaffe has been appointed manager at Philadelphia. He began his career with Mutual of New York in 1946 and was promoted to assistant manager at Boston in 1935.

Lincoln National Life

Dean A. Thomas and **L. Dick Forbes**, both of the reinsurance department, have been promoted to assistant sec-

retaries. Mr. Thomas joined the company's underwriting department in 1942 and was transferred to reinsurance last year. Mr. Forbes came to reinsurance from the actuarial department.

Eugene B. Bingham has been named general agent at Lafayette, Ind., and **Robert K. Garrett** has been appointed agency supervisor. Mr. Bingham is former assistant director of the Purdue course.

Republic National Life

Robert Capriellan has been named agency secretary, and **Jack Hargis** is superintendent of agencies, southwestern region. **Howard Channell**, formerly southwestern region superintendent,



Jack Hargis



R. Capriellan

has been transferred in the same capacity to the midwest region. Mr. Capriellan formerly was systems analyst in the company's planning division and Mr. Hargis was manager of the company's San Antonio branch office.

Mutual Benefit Life

Victor R. Goldberg has been named general agent of a new general agency at Hempstead, Long Island, N. Y., with offices in the Fulton-Hempstead building at 320 Fulton avenue. Mr. Goldberg, a CLU, entered the business in 1936 and has been in charge of the downtown office of the Huber agency in New York City.

John Hancock

Alvar J. Polk Jr. has been named director of pension trust and employee consultation sales and service. He has been administrative assistant on the staff of Clarence W. Wyatt, group vice-president. **James T. Burgess** becomes director of group sales development in the general agency department. Mr. Burgess has been supervisor of pension trust and employee consultation sales in the group department.

Carroll K. Martin, assistant controller since 1951, will retire Oct. 1. He joined the company in 1908 and served in the policy departments until 1950 when he was named administrative assistant in the controller's department. He was a key man in the installation of an IBM premium accounting system in the home office.

Roberts Tunis, associate counsel, has retired. After private practice in New York City, he joined the law department in 1925 and was manager of the abstract division from 1942 to 1952. He will return to private practice in Boston.

Miss Nancy Concannon, who joined the company in 1945 and has been staff assistant, has been promoted to assistant personnel director. **Miss Florence Monsen**, who joined the company in 1952 and has been manager of the salary administration division since 1954, has been named staff assistant. **Albert Gayzagian**, who joined the company in 1952 and has been assistant manager of salary administration since 1954, has been appointed manager. All changes were in the personnel department.

Nicholas Grillo has been named manager for the new district office in Vineland, N. J. He was regional supervisor at Philadelphia and before

that was assistant manager at Meriden, Conn. He will be assisted by John P. Cassells and Paul Jacobs, assistant district managers, and Werner Raff, officer supervisor.

Paul Revere Life

An agency in San Francisco will be opened to develop brokerage business there. **John Nute**, former brokerage manager for Swett & Crawford of Union Mutual Life at Seattle, will be in charge of the new office.

Joseph F. Dillman

has been named general agent at Hartford. He entered the business six years ago with New York Life at Worcester. He was named assistant manager at Worcester in 1954 and at Hartford early this year.



J. F. Dillman

Aetna Life

E. E. Cammack, vice-president and actuary of Aetna Life, and **James H. Brewster Jr.**, vice-president and treasurer, will retire Dec. 31. The directors have asked them to continue on the boards.

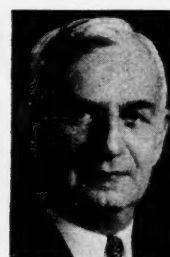
M. B. Brainard Jr., vice-president and assistant treasurer, will assume Mr. Brewster's responsibilities for financial operations. **F. P. Perkins**, vice-president, will take over Mr. Cammack's duties as head of the group division and **C. A. Spoerl**, assistant vice-president and actuary, will succeed him as head of the life actuarial department.

Mr. Cammack joined the company in 1910 and has been chief actuary for more than 30 years. He headed the group division since its early beginnings. He was chief executive officer of Automobile for 30 years prior

to its merger with Aetna Casualty & Surety last Jan. 1.



E. E. Cammack



Morgan B. Brainard

Author of numerous actuarial papers and discussions, Mr. Cammack is a fellow of Society of Actuaries, an associate of Institute of Actuaries in Great Britain and a charter member of Casualty Actuarial and Statistical Society, which he helped organize in 1914.

Mr. Brewster was in banking in New York and held a partnership in Rhoades & Co. from 1912 to 1925 when he was named vice-president of Aetna Life. He has been vice-president and treasurer since 1927. He was elected a director of Standard Fire in 1926 and of Aetna Life, Aetna Casualty & Surety and Automobile in 1929. He serves on the boards of numerous financial, industrial and welfare organizations.

Mr. Brewster's father was American manager of Scottish Union & National of Edinburgh and of State of Liverpool.

Home Life

Robert E. Ketcham has been appointed agency field assistant. He joined the company as a sales trainee in 1952 and has been assistant manager at White Plains, N. Y., since 1955.

FIDELITY
A WELL-BALANCED COMPANY



balance...
the basis of good government

In government, it is
a balance of the executive,
legislative and judicial branches.

In life insurance, it is a balance
of fundamentals, progress and
alertness to policyholders' needs.



The
FIDELITY MUTUAL
LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

Pan-American Life

J. Alton Dean, district manager since 1953 at Ridgeland, S.C., has been promoted to general agent. He entered the business with Life of Georgia in 1947 and joined Pan-American at Ridgeland in 1951.

Guardian Life

E. O. Kirkland

Emmett O. Kirkland has been appointed co-manager at Birmingham. He has been with New England Life at Birmingham since entering the business in 1946, and is president of Birmingham Assn. of Life Underwriters. Mr. Kirkland will be co-manager with **Barney Copeland**, manager since 1938 in partnership with **Justin Fuller**, who died recently.

Earl W. Cryer and **Thomas B. Grogan** have been appointed agency directors of Guardian Life effective Oct. 1. Mr. Cryer entered insurance in 1940, and attained the CLU designation in

1953. He went to Guardian Life as field training assistant in 1953 and was promoted to director of field training in 1954. Mr. Grogan started in life insurance in 1946, and joined the company as assistant agency director in 1955.



Earl W. Cryer



Thomas G. Grogan

Travelers

Appointed field supervisors were **Gilbert W. Hohwald** at Newark, **Felix J. O'Donnell** at Cincinnati and **G. F. Dixon Jr.** at Toledo. Named agency service representatives were **James A. Smith** at Los Angeles, **T. G. Cooper** at Lubbock, Tex., **Gerald A. Van Splinter** at New York City, **Edward D. Cargile** at Little Rock, and **Robert J. Wright** at Bridgeport.

Connecticut General

Connecticut General Life has made five appointments in its field brokerage organization. **James S. Ryan** has been named manager at White Plains, N. Y. He was assistant manager of the company's John street, New York City, office.

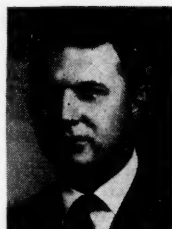
Vincent E. Gallivan has been appointed manager at Pittsburgh. He was a technical consultant with the company's Cleveland brokerage agency.

William M. Whitelaw, formerly at Cleveland, becomes assistant manager at Chicago.

Phillip E. Goodman, a staff assistant at New Orleans, has been appointed assistant manager there.

Charles I. Shussett has been named a brokerage consultant with **Cravens, Dargan & Co.** in San Francisco, general agency of Connecticut General.

A new branch will be opened at Scarsdale, N.Y., in the new Overhill building at 2 Overhill road. The new office will absorb all operations of the 42nd street office in New York City. A new mid-manhattan office will be opened later this fall. **John T. Taintor**, who has been manager at 42nd street, will be in charge at Scarsdale. **David E. Jeffery Jr.** will be group manager.

National Life of Vermont

George N. Ennett

George N. Ennett has been appointed general agent at Charlotte for North Carolina. He has been with Equitable Society for 8½ years, first as an agent and field assistant, later as a district manager.

Equitable Society

George E. Parker has been named to the new post of group department sales manager, while **Thomas J. Attridge** and **James C. Brunson** have been appointed managers of the newly created southwestern and east central group field departments, with headquarters at Dallas and Cleveland, respectively. The changes are effective Oct. 1. Mr. Parker joined the company in 1928 and has been an associate manager in the group department at the home office since 1950. Mr. Attridge, with the company since 1934, has been manager of the group department in the home office since 1955. Mr. Brunson joined the company in 1931 and has been divisional group manager in Cincinnati since 1948.

Jarvis Moses has been named manager of the personnel department's benefits division. He will have staff responsibility for the employee benefit program.

Since joining Equitable's claim department in 1930, he advanced through several positions to assistant superintendent of the death claims division in 1952.

Dr. Albert L. Grasmick has been appointed an assistant medical director in the medical department. He spent two years as flight surgeon in the U. S. air force and two years in general practice in Central City Pa.

Fidelity Life Assn.

William H. Rothermel has been named vice-president. He joined the company in 1955 as assistant to the president and director of sales. **Edgar H. Andresen** has been appointed assistant secretary.

Franklin Life

John F. Byrne has been appointed general agent in Granada Hills, Cal. He was previously with Prudential for 21 years, starting in the Newark office before being transferred to field work in California.

Pilot Life

Herman P. Skiles, **John D. Ball** and **Charles E. Stephenson** have been appointed superintendents of agencies.



John Ball



Herman Skiles

Mr. Skiles began as agent, was promoted to agency assistant in the home office then manager of conservation and training. Mr. Ball joined the company as assistant general agent at



C. E. Stephenson



C. W. Druit

Newport News, was promoted to assistant general agent at Norfolk, and in 1955 was named agency assistant in the home office. Mr. Stephenson has been general agent in Wilmington, N.C., three years.

C. W. Druit has been appointed manager of A&S.

Lewis R. Johnson, formerly with Connecticut Mutual, has been named general agent at Dallas. **Chester F. Jones**, formerly with Security Life & Trust, has been named general agent at Wilmington. **Jack S. Bugger**, formerly with Occidental Life, becomes general agent at Nashville.

Prudential

Philip H. Kammerer has been appointed assistant director of ordinary agencies to assist supervision of sales and service operations in Indiana and Illinois.

Stanleigh E. Bowerman has been appointed head of a new agency at Jamestown, N. Y., **A. Gordon Phillips** will head a new agency in Wilmington, Del. and **Robert A. Boyce** has been named head of the company's Allentown, Pa., agency to succeed **Henry F. Tyndall**.

Mr. Bowerman has been with the company since 1946. The company also has a district agency in Jamestown. Mr. Phillips joined the company in 1941 and for the past seven years has been an agency division manager in Philadelphia. Mr. Boyce joined the company this year. Mr. Tyndall will continue with the Allentown agency as associate manager.

Union Mutual

Paul R. Hoffhaus, formerly home office field supervisor in Missouri, Kansas and Nebraska, has been promoted to regional field supervisor. He will supervise field training activities in St. Louis, where he has been stationed. He joined the company in 1953 after six years with Western & Southern Life where he became assistant manager.

Manhattan Life

Walter H. Knox Jr. has been appointed general agent of a new agency in Midland, Tex., with offices at 218 Capital building. He was an insurance officer in the regular army from 1945 to 1953, when he retired with the rank of major. Since then he has been with Government Personnel Mutual Life of San Antonio and Minnesota Mutual Life.

*We hope to see
you at
A. L. C.*

North American Re
LARGEST PROFESSIONAL LIFE REINSURER

NORTH AMERICAN REASSURANCE COMPANY
CHRYSLER BUILDING EAST
161 EAST 42nd STREET, NEW YORK 17, NEW YORK
TEL.: MURRAY HILL 7-1870

REINSURANCE
EXCLUSIVELY

LIFE (Ordinary and Group)
ACCIDENT and HEALTH

*We cordially invite you to visit our
offices when you are in New York City*

Life of Virginia

Robert H. Hartley has been appointed manager in Tulsa. After overseas service with the State Department, he entered the business with Jefferson Standard at Tulsa in 1952 and recently has been with Southwestern Life in that city. He is a 1956 Million Dollar Round Table member.

Union Central Life

William T. Wingo has been appointed assistant to **Byron T. Jennings**, manager of the pension and employee benefit department, of the Cincinnati agency. A lawyer, Mr. Wingo previously was in insurance for four years in law and actuarial work.

Mount Vernon Life



S. J. Edelman

Sherman J. Edelman has been appointed vice-president of the A&S. division of Mount Vernon Life, formerly Union Casualty & Life.

Prior to this appointment, Mr. Edelman held the position of vice-president and chief administrative officer of Sterling. He started with that company as legal assistant in 1947.

Equitable of Iowa

P. C. Irwin, vice-president and actuary, was elected to the company's board of trustees. Mr. Irwin joined Equitable of Iowa in 1919 and progressed steadily through various actuarial responsibilities, becoming vice-president and actuary in 1955.

Indianapolis Life

Glen J. Macaux has been appointed as general agent in Green Bay, Wis., and **Claude A. Johnson** as general agent in the Jamestown, N. D., area. Mr. Johnson is a past president of Central North Dakota Life Underwriters Assn.

New England Life

Richard M. Alt has been appointed director of research. For the past five years, he has been an economist with Arthur D. Little, Inc., industrial consultants of Cambridge, Mass. He previously was associate professor of marketing at Johns Hopkins university.

Provident Life of N.D.

James F. Sehorn, district manager at Forest Grove, Ore., has been appointed manager of the Portland agency succeeding the late **Harry C. Krehbiel**. **Donald R. Thompson**, formerly district manager under the Portland agency, has been appointed regional manager at Bend, Ore.

California-Western States Life

California-Western States Life is opening a second agency in San Francisco with **John E. Curley** as general agent. Mr. Curley previously was with Equitable Life of Iowa.

Northwestern National Life

Robert D. Heacock has joined the underwriting department. Previously he had been chief underwriter for Lincoln Mutual Life, and he began home office underwriting work with World Insurance.

MANUFACTURERS LIFE—**Charles B. Daiger** has been assigned as manager of a new branch office in Boise, Ida. He will head the development of a sales organization in the state. He started with the company in 1951. His temporary headquarters will be in the Sanna building.

TEACHERS INSURANCE & ANNUITY—**J. Donald Hopkins** has been appointed an advisory officer of the two companies. Prior to joining TIAA, he was senior account executive in the

employee benefit department of Johnson & Higgins for five years. Mr. Hopkins has had 25 years experience in the insurance and pension field.

Pacific Mutual Life



Harold L. Lehner

Leslie L. Grubin has been named manager of the Oakland agency. He joined the company in 1948 in Los Angeles, was advanced to supervisor and promoted later to assistant general agent.



L. L. Grubin

Alfred E. Loveland Jr., who has been directing operations of the Portland, Ore. agency for the last six



A. E. Loveland Jr.



C. M. Barnes

months, has been named manager there, and **C. Mercer Barnes** has been named general agent at Sacramento. Both men started with Pacific Mutual in 1951, and both were formerly supervisors.

Continental Assurance

Joseph F. Dara has been appointed to the newly created post of account executive in the eastern group department of Continental Assurance. He brings four years of group insurance experience to his new job. He will devote his entire time to the assistance of general agents and producers in the promotion and development of new group business in the eastern territory.

Old Line Life

Sterling C. Holston has been appointed general agent for five counties in southwestern California with headquarters at Glendale. In insurance for many years, Mr. Holston was with Woodmen of the World, Omaha, from 1931 to 1947, where he was successively a state manager, general field manager, secretary and director. After leaving W.O.W., he went with Bankers Life of Nebraska as a general agent at Los Angeles.

Union National Life

Delbert Dumont, who has been with National Life & Accident for 20 years, has been elected vice-president and director of Union National Life of Nebraska. Instead of going to the Union National home office at Lincoln, Neb., Mr. Dumont will have his headquarters in Houston where he will spearhead the development of a new sales force, additional to and entirely separate from the company's present agency organization. Mr. Dumont started with National Life & Accident in Texas in 1936.

RECORDS

MANHATTAN LIFE—The field force turned in a record volume of business during the 3-month Fordyce summer campaign in June, July and August of total paid-for of \$53,865,446, representing the best 3-months business in the history of the company. During the campaign, total volume amounted to \$40,400,693, at that time a 3-month record.

FRANKLIN LIFE—New paid sales for August totaled \$58,456,969, a 47.4%

gain over the same month last year. This represented an all-time record for any single month in the company's history. New paid sales during the first eight months showed a gain of 34.4%.

BANKERS NATIONAL LIFE—Sales in the first eight months were a record \$71,665,474, up 122%, and exceeded the entire 1955 total. Insurance in force climbed to a peak \$370,822,187. Ordinary sales in August were up 47%, making it the largest ordinary production month on record, exceeding last February. The average size new ordinary policy rose to \$9,348. R. A. Toro of Rio Piedras, Puerto Rico, and L. Stein of West Hartford, Conn., led

A PROPOSAL FOR THE GIRLS...

Yes, a new Non-Can policy designed especially for business women.



Now, in one scheduled policy:

Total disability resulting from sickness or accident with these additional coverages available...

1. For partial disability due to accident.
2. For total disability due to certain specific travel accidents.
3. For accidental death or for specified accidental loss of hands, feet, eyesight.
4. For hospital expenses including operating room, drugs, x-rays, laboratory fees.
5. For surgical fees.
6. For medical and hospital bills resulting from an accident not covered by other benefits above.

And, in addition:

Union Mutual will pay any premium that becomes due during total disability that has continued more than 90 days and refund any paid during that 90-day period.



AND IT HAS THAT PRICELESS RING

- It's NONCANCELLABLE and GUARANTEED RENEWABLE to age 65.
- There is no average earnings clause.
- Insured does not have to be house confined to receive benefits.
- There is no aviation exclusion clause.

Underwritten by



MUTUAL LIFE INSURANCE COMPANY OF PORTLAND, MAINE

Canadian Head Office — Montreal, P.Q.

America's Eighth Oldest Life Insurance Company.

Rolland E. Irish; President • John R. Carnochan, Vice President in Charge of Agencies

LIFE UNDERWRITERS SINCE 1848

in a policyholders "follow thru" campaign in July and August. A&S total premiums in force in the first eight months rose a record 11%. August sales were 10 times greater.

NEW ENGLAND LIFE—Ordinary sales in August were a record \$60.8 million, up 40.2%, while sales in the first eight months showed a gain of peak by 30.7%.

EQUITABLE OF IOWA—The company exceeded all production records in the first eight months of this year, with a total of \$100,850,867 in new paid life as of Aug. 31. Life in force as of

that date stood at \$1,466,211,963. Assets were in excess of \$574 million.

PROVIDENT MUTUAL—August sales set a record for that month, making it the seventh consecutive month in which sales reached a new peak for the month. August was the 16th consecutive month in which sales showed a gain.

Nashem agency of Mutual Benefit Life in New York City leads all agencies in sales potential having sold \$8.2 million since Jan. 1.

Merrifield-Mitchell agency of Connecticut Mutual Life at Portland, Ore., has named Alton L. Chamberlin as its man-of-the-month. He led the Oregon agency in paid-in business during July.

Palmer Tells LAA of Agent's Need for Advertising Help

H. Bruce Palmer, president of Mutual Benefit Life, told the recent meeting of Life Advertisers Assn. at New Orleans that the life agent of today needs the help of advertising, public relations and sales promotion men more than ever.

"Because of the tight money market today, the efforts of the 'salesman of savings' must be increased many-fold," Mr. Palmer said. Besides promotional help, the agent needs, perhaps most of all, enlightened management which will through its creative efforts, develop new sales and merchandising techniques, Mr. Palmer said. He urged that creative thinking take place following the precepts of "the book."

"In our business I deplore the 'me too' philosophy," he declared. "This philosophy says, let's follow the leader if only for expedience sake. It is followed by too many entrusted with the welfare of a great industry."

"There is only one criterion by which we should judge the right when we are treading down any experimental paths. That is, to judge what is ultimately good for the policyholder, for the agent who has built our business, and for the industry and our company," Mr. Palmer emphasized that he did not wish to imply to that there is no creative thinking now in business. There is a great deal, he said, but much more is needed.

"There is, for example, the tremendous progress being made in electronics," Mr. Palmer said. "But we need further creative effort to show us how we can bring automation to the sales operation, as an example. Can we expect our salesmen to work 40 to 50 hours a week, not including night and Sunday calls, when their colleagues in the home office have had their leisure hours increased and their working hours decreased by automation?"

"There is an answer to this and we must find out what it is. In our own company we have taken one step toward introducing 'automation in selling' through our true security program. Briefly, this selling tool enables our agents to talk to many prospects at a time instead of one at a time through the use of moving pictures. If an agent stands before a group of people who desire his services and he has 31 of those people request personalized information, we feel that is 3,100% automation of his time."

Turning to the creative opportunities of the LAA man, Mr. Palmer suggested that perhaps the LAA man had more opportunity to "throw away the book and dream" than some other home office employees, such as lawyers and underwriters who are restricted by certain rules and regulations. "Your job, by its very nature, is creative," he declared.

Life & Casualty Buys Univac; Expects Rent Fees to Defray Cost

Life & Casualty of Tennessee has accepted a Univac I electronic computer system from Remington Rand after trial use on 30,000 policies. Installation of the equipment began in April.

The Univac system will be operated by Electronics Services, a wholly owned subsidiary of Life & Casualty, which will make the services of the equipment available on a fee basis to other businesses and industry in the Nashville area. Paul Mountcastle, chairman of Life & Casualty, is also chairman of Electronics Services, and Guilford Dudley Jr. is president. Kenneth Ward-Smith has been named vice-president and general manager of the operation.

In addition to effecting a savings in its own operating cost, Life & Casualty is anticipating a rental revenue in excess of \$30,000 per month which will liquidate the cost of the equipment in a few years.

Rogan Favors Boost in Wis. Group Limits

Commissioner Rogan of Wisconsin has indicated he will ask the 1957 Wisconsin legislature to increase group limits from \$20,000 to \$40,000. The \$20,000 limit was established by law in 1949. Mr. Rogan has said he will propose a limit of \$40,000 with additions above \$20,000 to be made available to employees and covered groups according to the graduations in their earning schedules.

Wisconsin attorney-general Vernon W. Thomson, the Republican nominee for governor, is in favor of a plan to grant group life insurance privileges to some 15,000 state employees. This contributory plan would give the state workers \$1,000 of coverage for each \$1,000 of earnings.

The Wisconsin Manufacturers Assn. in the next session of the legislature is expected to back a law which will remove the requirements that employers be within the same industry to collaborate on joint group life contracts.

Georgia Insurer Changes Hands

Whitfield Ins. Co. of Dalton, Ga., has been acquired by a new group of Georgia investors and changed its name to Royal Life of America. Under the new stockholders, Eldon R. Lindsey, one of the original incorporators and directors of Piedmont Life, was named president of Royal Life.

Manufacturers Increases Dividends

Manufacturers Life will increase its dividend scale as of next Jan. 1. This is the fifth increase since 1951. The amount allocated for 1957 payments is more than double the amount paid in 1951.

Elected to the executive committee of Life Insurance Advertisers Assn. at its annual meeting in New Orleans last week are, left to right, H. E. Nelson, Life & Casualty of Tennessee; Al B. Richardson, Life of Georgia; W. L. Camp, Connecticut Mutual; L. R. Blanchard, Paul Revere, and Stanley M. Richman, General American. Also elected to the committee but not pictured here is John L. Briggs, Southland Life.



NOW... Over \$1 Billion LIFE INSURANCE IN FORCE

Liberty National Life Insurance Company passed during 1955 one of the great milestones in the history of any life insurance company. Increasing insurance in force approximately \$96 million—a new all-time record—the company joined the ranks of those select few life insurance companies in the United States having more than a Billion dollars of insurance in force. Liberty National looks forward to the future with great confidence and a strengthened desire to more adequately and faithfully serve the needs of its policyowners.

**LIBERTY NATIONAL
LIFE INSURANCE COMPANY**

Frank P. Samford, President
Birmingham, Alabama



**GOLDEN
Anniversary
JUBILEE**

Just thought you would like to know...

- Members of the North American Family will celebrate a GOLDEN ANNIVERSARY JUBILEE . . . September 4-5-6, 1957, Edgewater Beach Hotel, Chicago. Our field members are qualifying in a special drive which began April 2, 1956 and will continue to July 5, 1957.
- Please write us if you are interested.

R. D. ROGERS, CLU—Director of Agencies

**NORTH AMERICAN LIFE
Insurance Company OF CHICAGO**

NORTH AMERICAN BUILDING CHICAGO 3, ILLINOIS

Life Insurance • Complete line of Accident & Health Contracts



Office Insurance Users A ed last v group's meeting Orleans, ed from Kennedy tal pres Al B. R Life o outgoing who w to the committe ing from Morgan Excelsior vice-pres M. Lock treasurers

RICHARDSON TELLS LAA:

Astute Advertising Needed as Life Business Faces Era of Terrific Competition

Al B. Richardson, Life of Georgia, told the annual meeting of Life Insurance Advertisers Assn. in New Orleans last week that the next decade is shaping up into an era of terrific competition for a share of the consumer's attention as well as for a share of his dollar. "It demands superior salesmanship vigorously supported by solid sales promotion, astute advertising and prescient public relations," he said.

Mr. Richardson at last week's meeting ended his term as president of LAA and was succeeded by H. M. Kennedy, Prudential.

He said the life industry has presented outstanding examples of all of these activities, but, by-and-large, "we still lag behind many other industries much younger than our own. The fact that we do lag is gaining recognition of life insurance management."

Calling for bigger budgets for more aggressive advertising, Mr. Richardson pointed out that the many new life companies recently organized are helping fire up competition within the industry.

"In recent years we have seen more aggressive activity by more companies and advertising and sales promotion than in any other period in the industry's history since the early part of this century," Mr. Richardson said. "The 'hard sell' has come into advertising. Sales tools are being sharpened. . . . More and more, companies are coming to recognize the importance of public relations activities, but only as a way of staying in line with sound public policy, but also because of the healthy long-term effect on sales volume. There is a growing realization that public relations does not mean frills but is good business, a matter of enlightened self-interest."

Mr. Richardson divided his talk into a discussion of advertising, sales promotion and public relations—the three primary facets within the realm of LAA activities.

As for advertising, he said the volume of it in national magazines has increased vigorously in the last five years. He said that virtually all of this type of advertising is conducted by some 20 of the largest companies but that the list is growing. As more companies extend their field organizations toward full national representation we shall see additional entries into this area of advertising," he said. He explained that it seems reasonable

that this medium will be expanded. He said national network radio is used successfully by one company, while another does splendidly well on major network TV. Cost of these national network media make them unfeasible for companies not having a widespread field force, he said, but radio and television are being used effectively on the regional and local basis.

Mr. Richardson predicted that expenditures for mass media during the next 10 years will increase not only in amount but in relation to sales. "Since the record shows that life insurance companies are not standing up very well to the competition for the consumer's dollar, a more realistic attitude toward survival seems to dictate bigger budgets and more aggressive advertising," he said. In outlining other significant factors why more advertising is necessary, Mr. Richardson explained that sales manpower in all probability will continue to be scarce and progressively expensive to recruit, train and maintain.

"The need to get more effective use of the agent's time will call for advertising techniques," he said. "Advertising will help more in prospecting so the agent can spend his time more profitably in actual consultation with qualified prospects. It simply will not be economically sensible to waste the time of a professional life agents stalking 'suspects'."

In commenting on sales promotion, Mr. Richardson said the blossoming popularity in group life insurance, the increases in social security benefits, and the trend of life companies to enter the personal A&S field offer exciting possibilities for sales promotion. "Direct merchandising effort will call for more effective sales aids developed on the basis of new research into the regions people buy," he said.

"In the gradual development of two distinct markets—the high income market and the mass market—there will come more marked differences in sales approach," he said.

"The high income market will be the province of the professionalized agents skilled in estate planning method. Sales promotion will help him with quality material which can be used in personalized, long-range cultivation of prospects.

"In the mass market, techniques in selling will vary more widely than at present. Greater simplification of ap-

proach will develop and more use will be made of marketing and distribution techniques we now identify with other industries. However, the agent will remain the central figure in this system."

In his treatment of public relations, Mr. Richardson reminded that "there are few other businesses to which sound public relations are more important." "But public relations," he said, "as an operational entity, is relatively new to life insurance."

"Perhaps the reason that life insur-

ance has flourished without formal attention to public relations is that it is a quality product," Mr. Richardson said. "Continued growing purchases in almost unquestioned acceptance of it as the family's first step towards security and peace of mind seems to offer substantial proof of the public's favorable attitude. However, when we note that less of the public's spendable income is going into life insurance we may pause to reflect on the validity of this measure of public acclaim."

Still blazing new trails...

as we enter our
second half century



WEST COAST LIFE UNDERWRITERS AHEAD OF THE PARADE WITH...

Completely New Rate Book in Which All Premiums Are Graded by Size of Policy!

Every policy a special. Savings in issue costs on larger policies passed on to policyowners on ALL plans of insurance. Premium rates go DOWN as size of policy goes UP... a real inducement to larger sales!

New Protection Plans to Fit Needs of People Living in the West Today!

Two years of research are behind our new Lifetime Protector, Home Protector, Family Protector, Income Protector... offering complete, flexible program of protection in one tailor-made package. Also new... 5 Year Automatically Convertible Term and Special Women's 20 Pay Endowment at 60, plus broader Accident and Sickness plans.

The Popular and Convenient New Check-O-Matic Premium Payment Plan!

Average new policy size \$10,000 under this popular plan. Premiums deducted automatically each month from policyowner's checking account. No notices... no checks to write or mail... no worry over lapse through oversight. A 6% saving on monthly deposits of \$15 or more, all of which contributes to more and better sales.

Above Average Opportunity for Success Through Careful Selection, Training and Supervision

Carefully selected and thoroughly trained, our Career Life Underwriters are equipped for success with practical sales aids, cooperative advertising, result-producing direct mail and a Company-backed prestige building program... plus outstanding incentive compensation agreement.

WEST COAST LIFE

INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

"The Spirit of the West"

Officers of Life Insurance Advertisers Assn., elected last week at the group's annual meeting in New Orleans, are, seated from left, H. M. Kennedy, Prudential president, and Al B. Richardson, Life of Georgia, outgoing president who was elected to the executive committee. Standing from left are Morgan Crookford, Excelsior Life, vice-president; J. M. Locke, Gulf Life, secretary and R. S. Haggman, Northwestern Mutual, treasurer.



Knowlton Analyzes State vs Federal Regulation

(CONTINUED FROM PAGE 14)

realizes the amount of damage it has done to the good name of the insurance business by handling this matter the way it has. The insurance industry does not handle a product which can be seen, felt, or tasted by its customers. It is dealing with a promise to pay in the future, and its principal asset is the confidence the public has in its product, its agents, and its companies. To

destroy that confidence by big headlines and needless prosecutions for the purpose of stopping questionable practices by a few can and has caused untold damage to the industry as a whole.

The problem we are discussing is nearly always referred to as state regulation vs federal regulation. It presupposes exclusive regulation of insurance either by the states or by the

federal government, and is therefore inaccurate. I cannot conceive that the states will ever lose their right to supervise and tax insurance. What we are really talking about is the possibility of dual control, that is supervision by the states and by the federal government. This sort of control now exists in connection with supervision of the railroads and the public utilities. These, however, are in the nature of monopolies. The type of competition which exists in insurance does not exist in these industries. Sometimes when people connected with insurance get discouraged by what they consider the complexity of satisfying a number of state insurance departments and express themselves in favor of federal supervision, they forget two things. First, that it is relatively simple to satisfy the states by conforming to the requirements of the most rigid state in which they do business; and second, that they will be in a worse position trying to comply with dual control, on one hand at the state level, and on the other hand at the federal level. There can be no question that the regulation of insurance by the several states is in the public interest. This sentiment has been expressed over and over by eminent authorities and by Congress itself. To handle it otherwise would subject the business of insurance to added expense, to confusion and red tape, and give more and more control to federal bureaucracies which are not close to the people. The intricate problems of state supervision so closely affect the people that intimate contact with them on a state by state basis is a necessity.

In the matter of expense, consider the question of taxes. If there is to be any measure of federal supervision, it certainly will follow that a federal tax will be imposed under the guise of paying for this supervision. Not only will this add to the expense of doing business, and, incidentally, increase the cost of insurance, but in my opinion, it will ultimately reduce the amount of taxes which can be collected by the states. There comes a point when taxes become an undue burden upon an industry. If the sum total of the federal and state taxes reaches the confiscatory stage, then one of the agencies must reduce the amount of taxes imposed. Every precedent available would be bound to come from the states, and so I feel safe in concluding that dual control would most certainly result in an impairment of the revenue received by the states from the business of insurance.

The question naturally arises as to what the industry and the states can do about the predicament in which they find themselves because of this movement to encroach on state regulation. The obvious answer is to fight the movement on every front in every possible way. To be more specific, with particular reference to the activities of the FTC, industry as represented by its trade associations and the states as represented by the insurance commissioners and their attorneys general should present their views in every case which is appealed to the courts affecting the exclusive right of the states to supervise insurance. Of course care should be taken not to get involved in the merits of any individual case but to confine such briefs as may be filed to the presentation of issues involving jurisdiction of the FTC and the preservation of exclusive supervision to the states. Steps of this sort are already being taken in connection with the case against American Hospital & Life.

Legislative action is also being con-

templated. If it is still the sentiment of Congress that regulation of insurance by the states is in the public interest, and I have no reason to believe this sentiment has changed, and if there is any doubt about the intent of Congress as indicated by the McCarran act, then it may be desirable to ask for clarifying legislation. While the meaning of the McCarran act is plain to me, the effect of the words used in that act have been questioned by the FTC. If it needs a clarifying act by Congress to make the commission stop its grab for power, then such an act should be proposed, although I cannot for the life of me think of any other words which would make it clearer that Congress intended to oust the FTC of any jurisdiction over matters which the states have the power to regulate than those used in the act. Certainly at the time the McCarran act was passed no one had any doubt about its intent. Of course, if the legislative approach is used, it becomes more of a political issue than a legal one. By political I mean a matter of the principle to be applied to the division of powers between the states and the federal government. In fighting for a political principle, the rules by which you fight are not quite as restrictive as the rules under which you fight in court. Tactics could be pursued to accomplish the desired end involving collateral issues. For example, efforts could be made to eliminate from the FTC budget the funds needed to press the prosecution of all the pending cases.

With reference to these other tendencies to encroach on the right of the states to regulate the business of insurance, we must be eternally vigilant and constantly watchful. The operations of the federal government are so large and involve so many bureaus that it is impossible for an insurance com-

MR. BROKER . . . got 30 seconds?

That's all the time it will take to check that these are better term rates than any you have been able to offer . . . 'til now.

\$100,000

	Age 30	Age 40	Age 50
5 Year Convertible Term	\$515	\$695	\$1,385
5 Year Renewable Term	\$595	\$825	\$1,605

RATES NOT QUITE SO LOW ON SMALLER AMOUNTS,
BUT STILL MIGHTY, MIGHTY COMPETITIVE.

Fantastic? Not at all; No tricks, no catches; we just welcome term insurance, that's all . . . and substandard as well as standard.

If you live outside the ten Provident States*, sorry . . . we cannot be of service. If you do live in one of our states, contact any of our General Agents, or write direct to:

The PROVIDENT

Life Insurance Company

Bismarck, North Dakota

JOSEPH DICKMAN, Agency Vice President

Life • Accident • Health • Hospitalization
Annuities • Pension Trust

*Minnesota, North Dakota, South Dakota, Idaho,
Montana, Washington, Wyoming, Oregon, California, New Mexico.



ARE YOU ON THE OUTSIDE LOOKING IN?

This year, qualified agents of Pacific National Life are conventioning in Hawaii. Wouldn't you like to include such agency plans in your future? Open the door to a Pacific National Life general agent career for yourself. Look at any general agent in Pacific National Life territory. You'll see the advantages of a Pacific National Life career. Write to: Kenneth W. Cring, Vice-Pres. & Supt. of Agents. Get on the winning team now!

NON-CONTRIBUTORY RETIREMENT

COMPLETE PORTFOLIO OF POLICIES

TOP COMMISSION SCHEDULE

EXCELLENT SUB-STANDARD SERVICE

AFFILIATION WITH FAST-GROWING WESTERN COMPANY



PACIFIC NATIONAL LIFE

Assurance Co.

HONOLULU OFFICE: 411 EAST SOUTH TEMPLE • SALT LAKE CITY, UTAH
Ray H. Peterson President Kenneth W. Cring V.P. & Supt. of Agents



HOTEL TULLER

... featuring convenience, comfort, quality! A cosmopolitan atmosphere in home-like setting. In the center of all downtown activities. Newly decorated. Ultra modern, comfortable guest rooms... excellent food at moderate prices in our modern coffee shop and cafeteria.

Radio and Television in room.
Air Conditioned rooms in season.

800 ROOMS WITH BATH from \$3.75
GARAGE and PARKING LOT
FAMILY RATES
No Charge for Children
12 and Under —

Harry E. Paulsen, General Manager
FACING GRAND CIRCUS PARK

DETROIT

missioner, even if he could take time out from his own duties, to catch every attempt to encroach on state regulation. Ideas are constantly spawned in the minds of bureaucrats which, if fully born, would have a serious effect on the insurance industry and duplicate some phases of state regulation. Sometimes we catch them too late to counteract them effectively. If an effective way could be developed to meet the expense, I would recommend to NAIC that it employ a full-time attorney in Washington whose duty it would be to watch these developments and bring them to the attention of the association.

Another way to prevent federal regulation and certainly one not to be overlooked is to raise the quality of state regulation and thus remove any demand, however ill-founded, for federal regulation. This can be done in a number of ways, one of which is to secure the passage in each state of every bit of legislation needed to give the commissioners the tools they need to effectively regulate. Great strides have already been made in this direction. Much of the legislation to which I have referred elsewhere has already been adopted and continuing efforts are being made to search out all possible gaps in state regulation and plug them.

Still another way to remove any possible demand for federal regulation is to strive for the better administration of laws we now have. With the administration of state laws in the hands of 48 commissioners of varying capabilities, there are bound to be differences of opinion as to how the laws should be administered. These opinions can run all the way from overzealousness resulting occasionally in attempts to interfere with management, to indifference resulting in inadequate supervision. NAIC is constantly attempting to encourage uniform legislation among the states and uniform practices and procedures by the departments. These efforts have made it easier to live with state regulation and have improved its quality.

Of course no amount of effort along this line can guarantee that every state at every minute will have the highest type of an administrator which not only the public but the industry deserves. As long as insurance commissioners are in some instances appointed solely to repay political obligations and as long as the pay is inadequate to attract capable men, there will be cases where the quality of administration in a particular state suffers. There are too frequent changes in commissioners. The responsibilities of that office require the supervision of a technical and complicated business which is becoming

even more so and make it essential that a commissioner be permitted to serve long enough in office to get that degree of experience necessary in order to give the ultimate in value. I believe it is a disservice to state regulation to require a department to operate under a law making the appointment of its head concurrent with the term of the governor, which is in most cases two years. When rapid political changes occur, the commissioner is not in office long enough to have a chance to demonstrate his full capabilities. There is a definite need to increase the average term of office of insurance commissioners and provide more continuity in such positions.

Much of what I have said indicates that the insurance commissioners and industry are alive to these problems, the solution of which will ultimately determine whether we have state regulation or state and federal regulation. When I refer to industry in this respect, I mean the trade organizations which operate on a national basis to one of which nearly every agent, broker, or company in the land belongs. I mention this because these associations are alive to what is going on and are constructive in their thinking. Their decisions are usually based on what is for the good of all. Unfortunately, this is not always true with reference to local segments of the industry, which on occasion have been known for selfish interests to prevent the enactment of laws and the promulgation of rules and regulations which are really needed for the preservation of adequate regulation.

Life of Virginia Wins Outdoor Ad Award

Outdoor advertising by Life of Virginia has won the top award in a national advertising competition conducted by Affiliated Advertising Agencies Network. The first place gold was given the company for a 24-sheet poster design showing a little boy and girl being measured for height, with the accompanying copy, "Give Them A Full Measure of Protection."

The poster was one of four designs used by the company in the past 12 months in its extensive outdoor displays. During its 85th anniversary month, March, 1956, it displayed more than 1,000 boards in 110 cities.

GI Medical Plan Snagged

Blue Cross is reported to be frowning on national administration of the proposed military dependents hospital care program in the states allotted to it. However, it is reported that the Defense Department will work out hospital care agreements on a state-by-state basis in the negotiation of medical care contracts.

wisdom to recognize opportunity



is as necessary as opportunity itself. Ambitious men have recognized and grasped the Southland Life opportunity and it has led them to greater earnings, advancement and keener job satisfaction. The Southland Life opportunity exists today for men seeking to better their futures.

Over ...
ONE BILLION DOLLARS
INSURANCE IN FORCE
60 Branch Offices



Home Office • Dallas

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION • GROUP

all in
ONE
package

UNITED

LIFE
ACCIDENT
& SICKNESS
DISABILITY with
optional HOSPITAL
& NURSE rider



- Benefits never decreased
- Premium never increased
- Non-cancellable
- Guar. renew. to age 65
- Recurrent disability provision
- Choose either 2 or 5-year benefit period for each disability
- No house confinement necessary

LIFE

AND ACCIDENT INSURANCE COMPANY

CONCORD

NEW HAMPSHIRE

Send for sample sales promotion kit on this new All-In-One Package. Write H. V. Staehle, Jr., C.L.U., Field Management V. Pres., United Life, 5 White St., Concord, N. H. STATES SERVED: Conn., Del., D. C., La., Me., Md., Mass., Mich., N. H., N. J., N. C., Ohio, Pa., R. I., S. C., Va.,

Preferred Risk Ordinary Life
Preferred Risk 20-pay Life
Life Paid-up at 65

Estate Builder Plan
Term Insurance
Family Group Protection

Outstanding Sickness & Accident INCOME PROTECTION

Non-cancellable, guaranteed renewable to Age 65 — at guaranteed premium rates, non-aggregate, no house confinement, optional hospital-surgical-medical benefits. Sickness benefits from one year to ten years—Accident from two years to lifetime. (Also participating life insurance and all types of group insurance!)

Expanding Business Provides Openings for Qualified General Agents. Full Time Representatives Only



LOYAL PROTECTIVE LIFE INSURANCE COMPANY
BOSTON 15, MASSACHUSETTS

Ground Broken for NALU Building in Capital

(CONTINUED FROM PAGE 1)

who had any misgivings about the appropriateness of Washington as the headquarters city for NALU, he felt sure these misgivings had been dissipated. Every man, he said, has two cities that mean the most to him: His home town and the capital of his country.

Commissioner Karrick said that as a former Washington business executive it was always gratifying to him to have headquarters such as NALU's in Washington. He said it presents to the city a new dignity and a new value. Not only is Washington the center of national defense, but, he said, "this makes Washington the headquarters of the defense of the homes of the bereaved."

As the final step in the ceremony, Mr. Cleeton and the other NALU leaders moved to a roped off 6-foot square in which the hard earth had been loosened with a pick so it could be turned with the gilded shovels provided for the ground-breaking ceremony. Besides Mr. Cleeton many of the NALU

leaders had the thrill of turning a shovel full of dirt, as the audience cheered them on and commented on their skill.

Quite a few local association representatives took away hard lumps of the earth as souvenirs and to dramatize the fund-raising drives they will put on back home.

The final convention event open to the membership was the fellowship luncheon. Master of ceremonies for this was Robert L. Walker, Peninsular Life, Orlando, past president of NALU. He presented bouquets to Mrs. Stanley C. Collins, wife of the outgoing president and to Mrs. A. Jack Nussbaum, wife of the incoming president, and a handsome wrist watch to Mr. Collins.

Mr. Collins spoke briefly and then introduced Mr. Nussbaum, turning over to him the gavel as a symbol of the transfer of the presidency.

Outlining his ideas on the coming year, Mr. Nussbaum mentioned some of the pressing problems that lie ahead for the life insurance business and said that NALU can help a great deal by being tolerant and by understanding the problems of others.

"We can help our own membership

through our continuous efforts to not only increase the general knowledge of life insurance, but by also fostering improvement of 'selling skill,'" he said.

"We must bear in mind that as an association we want our members to be happy. We can best do this by assisting them to so improve their selling techniques that they will benefit from the increase of insurance in force. I firmly believe that most agents have sufficient knowledge right now to double their production but not enough agents have the selling skill to follow through.

"We must get more people to participate in LUTC classes—more members to become chartered life underwriters—we must strive to get a larger number of national quality award winners. Local associations should be encouraged to have educational classes for their local membership, with the emphasis on the psychology of selling. All of these things create a better feeling of job satisfaction."

Numerical strength of an association is important and it will be the membership committee's objective to reach a goal of 75,000 during the coming year, said Mr. Nussbaum.

Mr. Nussbaum said that through the association's resources at the grass-root level, "we must keep people informed of the tremendous increase in costs whenever social security benefits are expanded in a vertical manner."

Mr. Nussbaum expressed the hope that during the coming year an understanding can be reached as to what constitutes sound group life insurance selling as well as other so-called mass types of coverage.

"If we wish to preserve the agency system of selling life insurance, then any method which by-passes the agent is wrong, and should be stopped. The agent is the life-blood of an insurance company. His sales make possible the functioning of all the other departments. If what I am saying is an admitted fact, then I believe that before making any major moves that affect the sales organization, a company would do well to take the field forces into its confidence.

"We believe that group insurance is a necessary part of our economy. But, we do not believe that it is necessary to group ourselves out of the ordinary business. Every company individually tells us they want to see their salesmen happy—and I am sure they mean it. At the same time, they increase individual group coverage to amounts that a few years ago were more than the maximum of many companies on the ordinary basis and with a medical examination.

While we feel this is not in the best interest of the agent, we also feel it is not in the best interest of the people we serve. Many of the people now covered by large amounts of group life insurance would be much better served if they owned permanent life insurance instead of leasing temporary group protection. Group insurance like social security should be a minimum base to build on and not the completed program. It tends to lull people into a false sense of security.

"We are sufficiently aroused to seek some sort of remedy. We would much rather do it by education than through legislation. Some method should be devised which will provide a closer unity between all segments of our business. It might even be a sound idea if each company appointed an agent as a member of their board of directors.

"During the coming year, we hope to see the fulfillment of Chuck Cleeton's dream—a home of our own. The building when completed, will stand as a real monument to a group of dedicated men and women—the collective

"U" of NALU.

"While the building will be constructed of marble, steel, and stone, it will actually be built by the generous hearts of the most wonderful people in the world, those in the life insurance business.

"It will stand as a reminder to all of us that our aim in life is dedicated to a better America—that through our efforts, widows and orphans are provided economic security—that through our guidance and sales ability, business will continue even though death has intervened.

"It will remain the monument for those who have preceded us and will stand as a shining light to remind us of the wonderful heritage they have left us. It is only when we give of ourselves that we appreciate our accomplishments. It is my sincere hope that each and every member of our association will have his name inscribed as a contributor.

"We can all be thankful to the men of the building committee who have given so much of their time and ability. Through their combined efforts the dream will become a reality in the not too distant future.

"We are very fortunate to have as our managing director Lester O. Schriever. He has done a magnificent job in finding the right type of men to staff the various departments of our organization.

"We are getting into the position of knowing that our headquarters can be depended upon to give more and better service in the important fields of public relations, research and legislation. Our headquarters staff is also doing a real job as a liaison with colleges and universities in an effort to encourage more college graduates to enter into life insurance selling."

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Sales Features of Major Medical Discussed at L. A.

Presentation of Leading Producers Round Table awards and a panel discussion of the major medical expense policy marked the initial meeting of the fall and winter season of Los Angeles A&H Underwriters Assn. last week.

Frances Sandidge, Massachusetts Protective, and George Williams, Hartford Accident, led the panel discussion. Miss Sandidge said the best market her company had found was in the professional and executive group with higher incomes. Mr. Williams said the policy is well-received by the public, making it a good door-opener for obtaining interviews.

Los Angeles A&H Managers Hold Panel on Commissions

A&H. Managers Club of Los Angeles opened its fall meetings with a panel discussion on commissions. Members discussed both the high initial commission with low renewals and the flat across-the-board rate.

The club will hold its annual golf tournament Nov. 16 and has begun making plans for the 1958 convention of International Assn. of A&H. Underwriters.

Speakers for California A&S Convention Named

The following speakers will address the annual convention of California A&H. Insurance Managers Assn., San Francisco, Oct. 19:

Frank Brandes, manager, Retail Credit; Robert J. Glasgow, vice-president, Continental Casualty; Edward E. Keller, general agent, Lincoln National Life at San Francisco; F. Kenneth Stoakes, general agent, Loyal Protective Life at Los Angeles; and representatives of Health Insurance Assn. of America.

100 Attend Golf Outing of Chicago A&H Assn.

More than 50 golfers and an almost equal number of non-golfers and guests attended the annual golf outing and banquet of Chicago A&H Assn. at Woodridge country club.

Edward Kieserg of Fireman's Fund

group was chairman of the golf committee, while John Sonin, also of Fireman's Fund and president of the association, presented the prizes at the banquet.

Top low gross scores were turned in by Carroll F. Snyder of Benefit Association of Railway Employees (74), W. C. Robinson of Continental Assurance (75) and Harold Bloomfield of B.A.R.E. (77).

Mr. Kieserg took the top low net prize with a 66 and Robert Banks of Fireman's Fund won the blind bogey award with a 79.

Elect Moldenhauer in Wis.

Paul Moldenhauer, Waupun, has been elected president of Eastern Wisconsin A&H Underwriters Assn., succeeding Arthur P. Wellens, Fond du Lac. Other officers elected are: Gerald Klasing, vice-president, and Miss Marjorie Rasmussen, secretary-treasurer, both of Fond du Lac.

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Urges Management Seek New Uses for Personal Insurance

Management must help discover new and more extensive applications of personal insurance to human life situations, asserted E. J. Faulkner, president of Woodmen Accident & Life, at the 3-day annual conference of Life Office Management Assn. at Edgewater Beach hotel in Chicago.



E. J. Faulkner

The quick recognition and fulfillment of a need has brought credit life to great stature in a single decade, Mr. Faulkner said. Too many companies selling only life have maintained for too long a time a frigid aloofness to A&S, despite the close kinship between them. To their credit, most life agents have recognized the great opportunity existing in the joint promotion of life and A&S and have moved to help provide the essential public service of A&S protection.

"Whether such hotly controversial innovations as the variable annuity and group permanent contracts have a proper place in the armamentarium of insurance, I do not account myself wise enough to say," Mr. Faulkner went on. "But of this I am convinced: Insurance management has a responsibility to encourage experimentation with new and different coverages and procedures, so as to assure the greatest service to the greatest number, while enhancing the sales opportunities of our field underwriters."

One management responsibility to the public is to make the life insurance business intelligible by a clear interpretation of its objectives, methods and accomplishments, Mr. Faulkner said. The civic wholesomeness of insurance will be more easily understood and accepted as management demonstrates how the interests of the business are identical with those of the public.

The personal insurance business benefits from full employment, high wages and high productivity, general good health, reasonable taxes, peace, the widest possible ownership of voluntary insurance and the existence of earned security, he said.

Insurers Appeal for N. C. Tax Reduction

Seventeen domestic life companies, asserting that events proved a 1955 increase in premium taxes was not needed by North Carolina, have appealed to Gov. Hodges and the advisory budget commission for a return to the old tax level.

The 1955 assembly, raising taxes in several categories to meet an expected general fund budget deficit, increased the gross premium tax on domestic life companies from 1% to 1.5%. As matters turned out, economic improvement boosted tax revenues beyond forecasts and in 1955-56 the state collected \$224 million, which exceeded appropriations by more than \$15 million and actual spending by about \$20 million.

Arch T. Allen of Raleigh, attorney for the 17-member organization, Domestic Insurers of North Carolina, said the tax increase had caused the life companies to pay 66.2% more taxes in 1955 than during the previous year. He asserted the tax has put the do-

mestic companies at a serious competitive disadvantage in North Carolina and in other states.

The domestic insurers said there should be no increase in the 2.5% tax now levied on gross premiums of foreign companies because retaliatory taxation would follow in other states. They also said the gross premiums method of taxation should be retained, but that the tax on annuities should be eliminated or substantially reduced. Mr. Allen said the trend nationally is toward elimination of "this direct tax of thrift" and that 21 states now do not tax annuities.

Churchill Rodgers Heads ABA Corporation Law Unit

Churchill Rodgers, general counsel of Metropolitan Life, was elected chairman of the corporation, banking and business law section of American Bar Assn. at the association's recent meeting in Dallas.

The membership of the section, the largest of any section in the association, is composed of over 7,500 of America's leading business lawyers. Included in over 30 active committees of the section are committees on such subjects as corporate laws, developments in business financing, federal and state regulation of securities, state and national banks, corporate law departments, bankruptcy and reorganization, commercial arbitration, the uniform commercial code, food drug and cosmetic law, partnerships, small business and commercial laws generally.

Mr. Rodgers has long been active in bar association affairs. He served for four years as a member of the governing council of the section and for one year as vice-chairman before his recent elevation to the chairmanship. For seven years he served as a member of the association's standing committee on commerce. In June he addressed the insurance section of the bar association of Tennessee in Nashville, and in July attended as a delegate of the American Bar Association the meeting of the Internationale Union Des Avocats in Paris and in the same capacity attended the meeting of the International Bar Association in Oslo where he presented a paper on "ship construction financing." He was this year chosen as a fellow of the American Bar Foundation.

James L. Madden, vice-president of Metropolitan Life, was reelected treasurer of American Management Assn.

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Holz Opposes Leeway Clause for N. Y. Insurers

(CONTINUED FROM PAGE 2)

law should be studied with a view to permitting certain investments in this field—with, of course, proper safeguards. These would include a limit on individual loans and on their aggregate, the firm should be of a specified age and it should meet certain earnings tests for the year preceding the date of the loan.

He said the department will submit to the legislative committee an amendment along this line.

E. A. Schmidt Jr., treasurer of Metropolitan Life, told the committee of that company's experience with loans to small incorporated businesses, which it has been making since 1950. At the outset the chief problem was how to determine the safety of the proposed loans, he said. It was not satisfactory to have application made to the home office, and it was too expensive to put investigation personnel in the field. Metropolitan instead secured the cooperation of banks local to the borrower's business. Banks participate in the loan to the extent of at least 10% and throughout the life of the loan. They do the investigating, for which they are paid a fee, and make the loan.

Forms devised for this business were sent by Metropolitan to 6,000 banks over the country. The company has received applications for a total of 217 loans for \$26 million in 36 states; it has authorized 80 loans for approximately \$11 million since 1950. Banks have kept about 13% of the loan liabilities. There is a \$250,000 per loan maximum, and the duration minimum is three years, the maximum 10 years.

No loan has defaulted as to interest or principal, he said.

Mr. Schmidt added that he was not appearing for or against Mr. Holz's proposal, but that if the legislature acts, it should consider these safeguards: An obligation fixed as to interest, a minimum duration of three years, an age requirement for the firm of three consecutive years, a \$250,000 ceiling, bank origination of and a 10% participation in loans, an aggregate limit for the life company of three-tenths of 1% of assets or 5% of surplus, whichever is less, and a termination date of five years on the statute so the legislature can examine the experiment after that time and determine if it wants life companies to continue.

In opposing the 1% general leeway clause asked by the companies, Mr. Holz said that the New York companies already were getting several percentage points of liberalization in other items. It had been suggested that because of rapid changes and developments in business, legislative specification of what investments a life company can make prevents it from taking advantage of new investment opportunities. One example given was road building machinery. Mr. Holz declared that he doesn't think life companies ought to invest in road building machinery.

The increase in the allowance for common stocks is a serious matter, Mr. Holz said. Over the long pull a good stock justifies its price, and he is not opposed to equities. However, the 3% allowed the companies presently is a lot more in dollars than when it went into the law because of the large rise in assets. He could not say, he said, whether 3% or 5% is correct. But there should be some relation between this percentage and surplus and

he recommended that there be a ceiling of one-half of surplus.

In going along with the companies, at least substantially, on the common stock request, Mr. Holz emphasized his strong desire to place New York companies on more of an equal footing in the competition for investments with companies in states that have more liberal investment provisions—as most of them do. This theme ran through most of his testimony and was the principal argument of the companies.

For example, in saying that he would not oppose the rise from 3 to 5% for income producing real estate, Mr. Holz pointed out that the 3% today represents many, many millions of dollars more than it did in 1945 when it was put in the law. For Equitable Society, for example, 3% equalled \$115.5 million in 1945 but is, on the great increase in assets since, \$241.4 million today.

Yet, he said, he feels strongly that because of the disparity between the allowance by other states and New York, he would not oppose the rise to 5%—chiefly to close the gap with other states. He objected to going to 7½%, which the companies asked, for several reasons, one of which was that the average surplus of New York companies rarely reaches 7½% and real estate is a frozen asset. If a company ever has to sell it, it cannot get the price it should for it. He noted that the companies domiciled in the state are getting into A&S and are doing a fine job with it—but they need money for A&S. They need it more quickly for A&S claims than under life insurance contracts. If the economy should change, life companies are going to have to have cash.

He said the prohibition against bank and insurance stocks had puzzled him, because these are the two businesses regulated by state agencies. Perhaps the prohibition was valid when the law was enacted many years ago because of the abuse of the interlocking directorate device, insurers with banks and insurers. But today these are as sound investments as any other. There should be, however, the same limitation as on common stocks generally (2% of the stock of any one company).

Both Sens. Condon and Greenberg of the legislative committee asked Mr. Holz repeatedly why the investment law should be more restrictive on domestic companies than on out-of-state companies. Mr. Holz said the basic reason for limitations on the home companies is that the experience of 50 years taught legislators caution and that for the home state, probably they and certainly he would prefer to err on the side of conservatism. He said he wants to make sure that there are plenty of safeguards so that investments of home companies are as near perfect as they can possibly be made. He pointed out that New York licensed life companies hold about 80% of the assets of the more than 1,100 such insurers in the U. S. and that the New York domiciled companies hold about half of that.

Although indicating that he felt the investment law for domestic companies should be revised, he said he hoped to keep up rigid bars against investments to which anything might happen in the future.

The seven liberalizations presented by Mr. Josephs are:

1. Amend section 81-2, to permit investment up to one-half of 1% of assets

in otherwise unqualified corporate obligations. This provides a limited leeway in the bond portfolio, Mr. Josephs said.

2. Authorize, in section 81-7(h), investment in income producing real estate not 3% but 7½% of assets. This form of financing has proved to be, after adequate testing, an excellent outlet for insurance funds, Mr. Josephs said. It serves the national economy by enabling commercial or industrial firms to use in their trading or manufacturing operations capital that would otherwise be tied up in fixed assets.

3. Permit investment in single parcels of income producing real estate up to one-half of 1% of assets. This compares with the present limitation of one-fourth of 1% of assets but not in excess of \$250 million. Even with the increase, the restriction is greater than Mr. Josephs thinks necessary.

4. Increase from 4 to 6% the permitted net income on the aggregate of real estate investments before the excess must be applied to write down total book value. Presently companies are required to use all income above 4% to write down the remaining book value of their income producing property. This has little current effect on the stated annual income of a company but will surely have that effect in the future. The present law, combined with current interest rates, tends to create inequity between present and future policyholders.

Mr. Josephs replied to a question by Paul Bleakley, counsel of the legislative committee, that all states permit larger investments than does New York in real estate, specifically and or by leeway clauses, except Alabama, Maine, South Carolina and Texas.

What has been company experience under this more liberal legislation, Mr. Bleakley asked. Mr. Josephs said it would take a lot of research to tell, but his own investment department, which studies such matters closely, does not know of any failures.

5. Eliminate the prohibition against investing in bank and insurance stocks, as set out in section 81-13. These investments would be subject to all the limitations applicable to other investments in common stocks except the requirement that such stocks be listed on a national securities exchange.

6. Increase the authorization, in 81-13, for investment in common stocks from 3 to 5% of assets and to eliminate the one-third of surplus limitation. The companies have had about five years of experience under the 1951 amendment which authorized common stock investment after 45 years of prohibition, and "this experience has been most favorable and reassuring," he declared.

In a response to a question, he said two of the "large four" New York companies have purchased stocks under the 3% provision, and the other two have converted bonds into stocks. None of them has purchased up to the 3% limit. New York Life, which has purchased, perhaps, more common stocks than any of the others, would never think of buying up to the limit, he declared. The future of such equities is favorable, but they do fluctuate.

The liberalization of the ceiling is necessary, however, Mr. Josephs indicated. New York Life is about as near the limit as it feels it can go. Also, out-state companies are in a questionable position in New York because their own states permit investment of more money in common stocks.

7. Add a 1% general leeway investment provision to section 81. This is

quite small compared to the leeway provision in other states, and its significance goes beyond mere percentages. It would provide an opportunity to build up a little concrete experience to demonstrate to future legislatures how the leeway clause works, to see whether it opens a door to worthwhile investments as it appears to do in other states, and whether it proves successful enough to be worth keeping or enlarging. It would determine at a very modest exposure the wisdom of relying on the prudence of management uncontrolled by statutory limitations.

He made also the point that New York by legislation and practice in the strength of its insurance department has a dominant position in the entire life business. This imposes equivalent responsibilities, and he suggested that the legislature must be positive as well as negative, it should encourage as well as limit. It should be confident rather than apprehensive of the capacity of home companies to manage their business with skill and integrity.

Mr. Dawson, in speaking for a leeway provision, said that change in business is rapid but the rate of that change itself is increasing. One must run still faster merely to stand still in the business world today. Consequently, the investment managements of life companies are brought into daily contact with industry of every kind. Especially in direct placement financing making investment in new enterprises they are often offered opportunity of all kinds from the very moment of their conception. To remain in competition, not only with each other, but with a growing number of other savings schemes by which people seek to assure their future, life companies have to be ready to deal with investment situations which, year by year, become more novel and challenging.

He cited the example of the first mortgage triple-A corporate bond of former years, in addition to affording a somewhat unattractive yield to life companies, is becoming relatively short in supply and decreasingly attractive as industry tends to turn to other financing media. As conditions here and in other states have been hard put to keep up with the financing demands of modern industry.

Fairness can be achieved by enacting a leeway clause in 81-16 or by adopting the department's own principle of establishing some portion of surplus as a margin of freedom—so long as the margin of leeway operates equitably among all competing insurers. Domestic companies seek no advantage, but feel they should not be required indefinitely to sit on the sideline while out of state competitors are free to benefit by the new investment opportunities the future will bring.

Of the seven states with life companies having the largest amount of assets, all except New York have a substantial leeway clause.

In New Jersey the leeway is 2% (adopted in 1955), in Massachusetts 25%, because its companies have never been required to maintain more than 75% of investments in authorized categories, Connecticut 8% (1945, 5%, 1951, 8%), Wisconsin 5% (1949), Pennsylvania 5% (1951), Ohio 5% (1954), and Illinois 5% (1953). Analysis of all 48 states shows that 4% out of every \$5 of life company assets outside of New York belong to companies domiciled in states having a leeway clause, he said.

Propose N. Y. Changes for Foreign Companies

(CONTINUED FROM PAGE 2)

a business which it is not authorized to do, (2) confine a life company to the writing of life and A&S, and (3) do not permit investment by a life company in the common stocks of an insurer.

He is, he said, determined that the three branches of government, judicial, executive and legislative, be preserved. He abhors the idea of an administrator undertaking the legislative function. The law needs correction, he said, but the correction should come from the legislature and not the insurance department.

Also, he agreed, no company should be required to divest itself of assets held prior to July 1, 1956. He indicated that life companies by agreement had not purchased bank or insurance equities since that date.

He said he would like to see a grandfather clause because a successor to him might view an investment differently, and a cut off date would only be fair to companies and their policyholders. He said he hoped the language can be found, so that the grandfather clause would not be subject to misinterpretation in the future. However, he asserted for the record that the New York department regarded investments of life companies as of July, 1956, as proper.

An out-of-state company with a good surplus should be able to invest according to the laws of its own state, he said. He does not want to give the idea, he declared, that New York is dictating to the rest of the country. He just wants to be sure a company has enough assets to do a sound business in New York.

It would be a grievous error to pass laws imposing on an out-of-state company the same requirements imposed on domestic companies in New York, he added.

In answer to a question, Mr. Holz said the main objection to permitting life companies to write other lines of insurance is that in life underwriting the risk is fairly stable and can be closely predetermined, but the fire insurance business can be catastrophic. The danger is that catastrophic losses in fire or casualty could drain off life company assets.

The New York department traditionally has followed a flexible policy with respect to the investments of out-of-state companies, Eldon Wallingford of Life Insurance Assn., representing that group and American Life Convention, pointed out in his appearance before the committee. In the past, New York superintendents have exercised discretion with respect to the investments of out-of-state companies, a policy of particular importance to those companies domiciled in states whose laws may impose different standards and restrictions than New York.

This was the case, at least, until late last year when Connecticut General entered negotiations to exchange stock for 80% of the stock of National Fire. Mr. Wallingford commented that the investment by Connecticut General in National Fire would have represented approximately 3% of the life company's assets and that its surplus actually would have been increased by the merger. Previously the New York department had permitted out-of-state life companies to invest as much as 5% of surplus in securities of types not permitted under the New York law, including common stocks.

Action by New York in this matter appeared to Mr. Wallingford a depart-

ture from the previous policy of the department. He suggested the reason may have been the traditional prohibition against multiple line underwriting. The attorney general did not rule on whether the proposed merger violated the underwriting powers of a life company operating in New York.

An effort was made to prepare a revision of the investment law for action by the 1956 legislature. The life companies, Mr. Wallingford said, formed a committee to work with the department on the matter. However, there was not time. Finally Mr. Holz proposed his language to the company committee, and the committee recommended it to the companies with one exception, that there be added a grandfather clause so that investments made prior to a certain date would be deemed in substantial compliance with the section.

The grandfather clause suggested by the life company committee reads: "Investments made prior to July 1, 1956 and held on the effective date of this act, shall be deemed to comply in substance with the investment requirements and limitations imposed by this chapter upon like domestic insurers."

Mr. Wallingford said that the amendment proposed by the department to section 90 represents an extension of the superintendent's authority and is, he believes, a quite exact interpretation of the law as it has been administered over the years by the New York department, up to the time of the Connecticut General issue.

He put into the record excerpts from a letter by E. M. McConney of Bankers Life of Iowa. In general, Mr. McConney wrote, it is undesirable to define "substantial compliance" too specifically. He wrote that there are substantial differences between the Iowa laws governing investments and those in New York. For example, Iowa allows investment in special assessments, some of which are quite good, the two states differ in qualification of railroad bonds, and Iowa permits investment of up to 5% instead of 3% in common stocks. Iowa has no limit on mortgages, New York does have, but on corporate obligations the two states are reversed. He said he objected to the detailed control of investments by New York and suggested that the whole subject of extraterritorial control should be explored.

Carroll M. Shanks, president of Prudential, said the proposed revision



Carroll M. Shanks



John Barker Jr.

seems to give the flexibility life companies need and at the same time protects New York policyholders. Only substantial impairment of surplus would justify license suspension, he suggested. He thinks the revision is a constructive, statesmanlike approach to the solution of a problem that is admittedly difficult. He doesn't think a grandfather clause is necessary, but, on the other hand, it will do no harm

and there are some companies which would like to have it.

John Barker Jr., vice-president and general counsel of New England Mutual, speaking for his president, O. Kelley Anderson, urged the desirability and need of the amendment proposed by Mr. Holz. He said it is essential for the insurance department of one state to respect the laws of an insurer's home state. Massachusetts, for example, specifies categories for only 75% of a life company's investments. The balance are governed by the prudent man rule. These laws and regulations consistently have provided protection to New York policyholders, he said. However, changes occur and legislation must keep up with them. It is certainly an unworkable theorem to require strict compliance by life companies with every state's provisions governing investments.

Mr. Barker is chairman of the joint legislative committee of ALC and LIA, and as such commented that the enforcement of strict compliance in any state would invite retaliation in other states. It might well lead to regulatory dominance by the most restrictive state and eventually take the business down the road to federal insurance regulation.

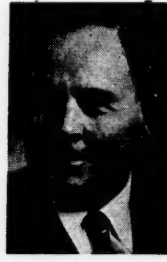
He would like to see a grandfather clause.

Later on Mr. Holz said he did not believe companies should fear federal insurance regulation—it would be unworkable, he declared.

Frazar B. Wilde, president of Connecticut General, said that Superin-



Millard Bartels



Frazar B. Wilde

tendent Holz and his associates were very objective and friendly in the handling of the Connecticut General-National Fire matter. While the whole transaction was embarrassing to Connecticut General and involved perhaps the loss of a valuable asset, there certainly was no acrimony whatsoever in the relations between the company and the department.

Mr. Wilde thinks the preservation of state regulation is seriously involved in the restrictions of the New York law as it now stands. In the case of Connecticut General-National Fire the superintendent certainly was put in an embarrassing position by the decision of the attorney general. However, Mr. Holz considered that he was placed in a position to strengthen the department's handling of investments and carry on the historic flexibility of the department.

Mr. Wilde pointed out that an exceptionally sound investment may come into being that is not recognized in a law passed some time before. To meet this contingency, the Connecticut law contains a "basket clause" which provides that if a law does not specifically cover a kind of investment, and if it is one that a prudent trustee would make, the life company can make it. This solves an occasional problem which can be difficult, complex and technical, he said.

A grandfather clause was urged by Millard Bartels of Travelers. A life

company with a very large investment in a subsidiary company writing a different kind of insurance, or investments made many years ago which were perfectly proper under the law, should not be placed by the New York law in danger of having a superintendent declare such investments illegal.

Clarence Peterson, vice-president of Union Central Life, generally favored the amendment in the belief that it restores the policy followed by the New York department in the past. He said his company did want a grandfather clause, though he wondered if agreement could be reached on its terms.

Willis Satterthwaite of Penn Mutual and Abram Collier, vice-president and general counsel of John Hancock Mutual, supported the revision.

T. R. Walsh of Canada Life, the only foreign life company licensed and operating in New York, called attention to the fact that the proposed revision has not been applied to subsection 2, the section covering alien insurers under section 99. Mr. Holz said this was simply an oversight; the intention is to place foreign insurers in the same position as out-of-state companies.

Gold Threatens Credit A&S Rate Cut in N. C.

Commissioner Gold of North Carolina has warned credit A&S writers to expect a second reduction in premium rates unless they can change his mind.

At a hearing before the commissioner, Robert W. Potts, department actuary, cited statistics for the period from Oct. 1, 1955, when the first reduction went into effect, to June 30 this year. They showed a 31% loss ratio, based purely on premiums collected and losses paid. The first reduction, ordered last year, was based on a 30.44% loss experience for 1954.

W. W. Taylor Jr., counsel for the newly organized Credit Accident & Health Insurance Rating Bureau, said costs were increasing and claims have not leveled out. He proposed a "reasonable increase" at the commissioner's discretion.

Mr. Gold said he would grant no increase and actually is considering a reduction. However, he agreed to hold the matter open until Oct. 8, when the companies are expected to return with estimates of their loss adjustment expense.

The commissioner was given control over credit A&S rates by the 1955 general assembly. His first order cut the premium from \$3.50 to \$2.50.

Credit Accident & Health Rating Bureau, licensed two days prior to the hearing, had not held an organizational meeting by the time of the hearing. Member companies are American Guaranty Life, Central Life and Skyland Life, all of Charlotte, Coastal Plain Life of Rocky Mount and State Capital Life of Raleigh. Seven companies write credit A&S through small loan firms in the state.

Indianapolis Cited as Center of Life Insurance

Don E. Campbell, business editor of the Indianapolis Star, in his column recently acclaimed Indianapolis as a leader in the life business. He pointed out that Indianapolis, which is the headquarters for 25 life companies, is the sixth largest "home office" city in the country, being exceeded by Dallas with 124 main offices; Houston, with 70; Fort Worth, with 38; New Orleans with 37, and Phoenix, Ariz., 29. Mr. Campbell said Indianapolis ties with Chicago in the number of home offices.

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